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The Nation's Business

European Solidarity and Canada
Whitewash at Quebec
The Post's Politics
A Retailer Stands
They Can't All Win
Robb and His Budget

FRANCE now has or is arranging treaties of economic significance with Roumania, Czecho-Slovakia, Poland and Jugo-Slavia. Italy and Spain are working towards their mutual economic advancement. Most important of all, France and Germany are showing a tendency to unite their economic activities, while Germany is strengthening its influence in Russia.

Thus there is slowly being built up a commercial entity on the continent of Europe. Inevitably, many observers feel, the United States of Europe, a self-contained political organism, will emerge. It will be self-sustaining in regard to food and raw materials.

The tendency is not without significance to Canada. It touches our foreign trade relations closely and will, in time, force us to shape new world trade routes and policies. It may even in time affect our Imperial relationships. Certain groups in Britain stand for close economic union with Germany and the continental nations. Other groups are for standing aloof from and building up inter-Empire trade arrangements, in friendly relationships with the United States. As world tendencies crystallize, Canada will find herself standing at the parting of the ways, forced to determine where she shall align herself.

* * *

WHAT is the real truth of the S. S. Margaret affair?

The little tableau at Quebec, when the Messrs. Lapointe and Bureau were washed whiter than snow by Sir Francois Lemieux, commissioner, and R. L. Calder, K.C., "prosecuting attorney" of the customs inquiry commission in this much discussed case, has not downed public euriosity concerning the cruise of the Margaret. The manner in which the inquiry was closed, with Mr. Calder seemingly going out of his way to bestow a fulsome benediction upon the politicians whose names had been brought into the affair, was an unexpected climax to what the public thought would be a long and thorough investigation. It taxed public credulity.

It is no wonder that one now hears rumors about the S. S. Margaret even more serious than were heard before; that there are being circulated stories to the effect that the Conservatives found that some important member of their group was involved and so a neat piece of log rolling — a political saw-off — was arranged to keep the commission from hearing about things; thus to let the case be dropped without damage to the reputation of any one high in either party.

If the cruise of the Margaret was as innocent an affair as it is now made to appear, then there was no need to stage such an elaborate show in connection with the whitewashing.

More may yet be heard of this little incident. What does Mr. Meighen think about it?

* * *

THE Charlottetown Guardian referred the other to The Financial Post as having "pronounced Liberal leanings." It was wrong. The Toronto Star referred to it as a Conservative paper. This paper was also wrong. No one has called The Post ultra-Liberal, although the Moncton Transcript called it "ultra-Conservative." The Literary Digest, which is about as neutral on parties, problems or events, as any paper could be, loses subscribers from among both Democrats and Republicans because partisans of each group feel that it is showing favoritism towards the other. The Digest always considered this pretty good evidence of its strict independence. By the same token, The Post might take some pride in the comments quoted above.

However, as readers of this column and of The Financial Post generally cannot fail to have observed, The Post is not the organ of any party. But where policies or men are involved no claim is made of neutrality. The Post stands for policies and actions that mean advancement for Canada, regardless of which party sponsors them and it aims to be equally fearless in saying what it thinks—be it favorable or otherwise—concerning public men. In brief, The Post takes its stand for or against men and the policies they offer; and not on party lines.

It strikes out for that type of independence that demands more courage and plain speaking than partisan servility.

* * *

FOR years the retail merchants of Canada were disappointed in having no one of their number sitting in the House of Commons to expound needs of merchandising to the makers of the law. Then Stewart McClenaghan was elected at Ottawa and during

(Continued on page 16)

C.P.R. Rail Order to Enable Besco to Start Operations

May Keep Plants Going Until Re-organization is Effected

UP TO GOVERNMENT

Much Will Depend on Action on Tariff and Coal Industry in Encouraging Investment of Capital

From Our Own Correspondent.

SYDNEY.—Although absolute official confirmation is lacking, it seems probable that the Sydney steel mills will very soon begin the rolling of a substantial rail order for the C.P.R.

Reports of such an order have been in circulation for several days, the quantity mentioned being 25,000 tons. Color is lent to the report by the fact that certain skilled men needed in rail production have been ordered to report for duty.

The story is that the securing of the order is largely due to the influence and activities of the National Trust Company, official receivers of Dominion Iron, and to the good offices, also, of Sir Joseph Flavelle.

At "Iron" headquarters no information is obtainable except that the company is negotiating for a rail order and hopes to be successful in landing it in a few days.

While in the absence of E. W. Rundle, general manager of the National Trust, who is in Eastern Canada in connection with Besco affairs, there is no confirmation of this report available at the office of the receiver, it is understood by The Financial Post that negotiations to the end of securing a C.P.R. order have been carried on and a favorable outcome is anticipated.

A rail order for 25,000 tons from the Canadian Pacific, in addition to business already secured from the Canadian National for a similar amount, would enable the resumption of operations with reasonable assurance that, with a certain amount of regular business, these could be continued until such time as some plan of reorganization is worked out.

First efforts are being directed to putting the plants in operation. Committees are being formed to look after the interests of the bond and shareholders. The next step will be to work out some plan or reorganization satisfactory to the bond-holders, failing which the logical step will be to realize on the properties in their interests.

Government Aid Essential

To any plan of successful reorganization it is regarded as essential that new capital be brought in. In order to secure such capital it will be necessary to restore confidence in the future of the company and this in turn involves a change in conditions which will reasonably warrant profitable operation.

The forthcoming election and the present inquiry into Maritime conditions both have a bearing on the situation in relation to what action may be expected on the part of the government to assist the company in getting its products to the Canadian consuming markets on a profitable basis and to curb the flood of cheap French and Belgian products which are now coming into this market because of government bonuses at home, comparatively low production costs and depreciated currencies which increase the buying power of the dollar.

The need for some action by the government to provide adequate protection for the industry has been put before the Royal Commission sitting at Sydney by Roy Wolvin, president of the British Empire Steel Corporation, who also urged that steps be taken for the establishment of coking plants to enable the Maritime products to reach the markets of Central Canada.

In elaborating his argument, President Wolvin stressed the importance from a national standpoint of the continuance of a great coal and steel industry within the boundaries of the Dominion and emphasized the strategic position occupied by the properties of the British Empire Steel Corporation with relation to Great Britain and the trade routes of the world.

"It is Nova Scotia's right to demand tariff protection against imported coal and steel, and national aid in overcoming the transportation handicap which now hinders the full entry of Nova Scotia's products into the Canadian markets. Full compensation for expenditures from the national purse, which may be required for transportation subventions, will be obtained by adequate development of Nova Scotia's coal fields and by the increased national security given by a prosperous and developing coal and steel industry."

Besco's July Coal Output Cut by O.B.U. Activities

From Our Own Correspondent.

SYDNEY.—Largely because of sporadic strikes resulting from the U. M. W.'s campaign to run the O. B. U. out of the country, the July output at the Besco collieries in Cape Breton South (Dominion Coal Company) was only 289,104 tons or a decline of 35,000 tons from the June figure.

Practically all of the pits have resumed operations, the men outside the union accepting the inevitable and rejoining the United Mine Workers. During the past few days, production at the mines has been slowed down through large numbers of the men remaining away from work to participate in Glace Bay's section of the Cape Breton Old Home Month celebration.

Franco-German Pact Forecasts "U.S. of Europe"

CLOSELY related to the future of Canadian business is the public announcement of the definite getting together of France and Germany. This is the first formal result of slow, steady scheming and negotiations that have been going on for years, and first reported to The Financial Post from Paris in 1920. The present step is the arrangement of a provisional treaty of commerce and amity to be followed later by a definitive commercial agreement, as forecast in these columns on several occasions during the past few years. The final objective, close observers of European politics forsee, is the political union of these two countries and the absorption of the old Austria-Hungary and various smaller countries in Eastern Europe, and Russia.

The treaty which goes into effect on August 20, far reaching as it is, is, according to Paris reports, far more comprehensive than had been believed possible, and it is given out that it is merely a preliminary to the broader arrangement. It is stated that it goes further towards preparing the way for a political union than has been made public. The French-Roumanian treaty is an adjunct, paving the way for the absorption of Turkey and adjacent parts of the near east.

Germany's Rapid Recovery

Germany occupies the centre of the stage in these discussions because of its growing economic strength, due to its rapid post-war recovery. Germany has been rapidly pulling herself together politically and economically. The easy-going highbrowed Allied statesmen have been no match for her indefatigable workers, experienced business manipulators and super-salesmen. She has "sold" her case to them and to the world, and has steadily manoeuvred the Versailles Treaty to her own advantage, as is proven by the fact that there is now an important and growing group in British public life who are prepared to return to Germany the valuable African colonies captured at great cost by the British. Most of its important political gains for the allies will be finally lost. Germany has exerted much influence in Russia, and the recovery of its productive enterprises has been largely due to German tuition. Commercially, Germany's exports for the six months ending June have brought her back almost to the corresponding period of 1913.

Contrary to popular belief, the leaders in both France and Germany have been working in a most friendly way towards a final union. Strange to say, the mass opposition continues to be not from France, but from Germany.

The immediate effect of the Franco-German treaty on Canadian trade will undoubtedly be beneficial. It would help to stabilize Europe and, thus, stimulate business. But the future effect may be more serious. Both German and French commercial leaders feel that these steps toward economic unity will eventually lead to the formation of the United States of Central Europe and Russia, which will be self-contained. They will not require agricultural products of any kind from Canada. This brings home directly to Canadian producers the question of our markets. Imperialists argue it shows the need of holding together the Empire, with its 450,000,000 inhabitants, as a market for our products.

Cosmos Common Shares Have Appeal as a Hold

Investors in the new issue of Cosmos Imperial preferred who received a bonus of one half share of common with each of the senior shares would seem to have an attractive speculation in the junior stock. Taking the market for the preferred at 90, the basis of the valuation of the common is $20 per share. In view of past performances and considering the showing made for the first half of the current year, the earnings on the common for the whole of 1926 should run better than $4.50 per share. Not only is it expected that such earnings will continue in view of the expansion of the pulp and paper industry, which absorbs a large portion of the company's output, but it is understood that arrangements are being made to change the present arrangement by which sales are handled by an independent organization and this is expected to add about $1.00 a year to the earnings on the common.

It is not considered likely that there will be any distribution to common shareholders in the early future but earnings will probably make this stock attractive for the investor who is looking for something for a speculative hold. It is planned to list Cosmos Imperial shares on the stock exchange.

New Alberta Government 'Phone Rates May be Guide in Bell Rate Increase

The province of Alberta is proposing an increase of some twenty per cent. in telephone rates with the object of placing the provincial telephone system on a sound financial basis. The province now has some $23,000,000 invested in its public telephone system, and it is asserted that the $375,000 additional revenue which the proposed rates will yield will make possible provision each year for depreciation, for which apparently, no allowance has been made hitherto. It is not clear from the news dispatch whether or not there are included in the expenses of the provincially owned system any items of provincial or municipal taxation.

The new rates are of considerable interest in view of the application of the Bell Telephone Co., still pending before the Board of Railway Commissioners, for a readjustment of its tariff of exchange rates. According to press dispatches, the rates proposed for the city of Calgary are $6.00 per month for business, and $3.00 per month for residence telephones.

Calgary, both as to population and telephone development, is fairly comparable with such Eastern Cities as London, Windsor, and Quebec. For these cities the Bell Company is proposing a rate of $4.75 per month for business, and $3.00 for residence service.

Lethbridge and Medicine Hat, in population and number of telephones, may be fairly compared with such eastern towns as Woodstock, Brockville, Orillia, or Barrie. For the two western cities the Alberta telephone authorities are asking a rate of $4.80 per month for business, and $3.00 for residence service, as compared with $3.25 and $2.25 respectively, the rates the Bell Company propose for the eastern towns mentioned.

Conditions of service in Alberta are somewhat different to those prevailing in Eastern provinces in view of the rural lines through sparsely settled areas but the new rates are interesting for comparison in view of the Bell application.

Mines' Position Strong; Bull Market Predicted

Present Summer Most Fruitful for New Development and Exploration in History of Industry — Quebec Looking More Attractive

By D. E. CUSHING,
Mining Editor, The Financial Post.

Predictions of a "bull market" in mining shares this coming fall are numerous. They are based on the expectations that the public will take cognizance of the material expansion and development that is taking place in the mining camps.

There has been a strong summer mining market. This is attributed to the scarcity of stocks. An evidence of this has been the recent rapid rise in price of two or three issues when sizeable buying orders came on the market.

Close students of the mining industry expect a flood of good news to come out of the camps this fall. They believe that when the significance of this news becomes apparent to the public that there will be a rush to buy stocks.

They may or may not be right. The strength of the market through the summer, while attributed to the scarcity of stocks, would also indicate that the public has been in the market to some extent right along.

Indications are that the present summer will prove most fruitful in the expansion of operating and developing mines and in the exploitation and development of prospects. The industry entered the year in a particularly healthy state, having concluded a 12 month period in which a new record of production was hung up. Generous amounts of capital were available and this allowed for aggressive operations, particularly in new explorations, as soon as the snow was off the ground.

Good News Coming Out

Already much excellent news is filtering out from the camps. This is particularly true of the operating mines, which are under going a steady expansion. If a large public interest develops in the mine shares this fall, the bulk of the interest will be in the seasoned issues. For that reason, The Financial Post presents a review of the present position and development of these concerns.

Coniagas

A buying order for about 2,000 shares of Coniagas, which made its appearance during the past week, evidenced the sensitiveness of this issue. It moved up almost $1 per share. Developments on Coniaurum and the fact that the company's two large blocks of ground in Boischatel Tp., Quebec, are looking exceedingly well, are responsible for the new interest. Coniagas main holdings in Quebec adjoin the large block taken over by the Timmins interests on the east, Victoria Syndicate on the north and corner on the Towagamac groups of Alderson Mackay which several engineers predict will open out as the biggest thing in Quebec. Coniagas also has extensive holdings which take in the corner of four townships, Boischatel, Duprat and Mountbray. Lucky Tiger of Mexico, and Towagamac are on either side.

Wide Interest in Coniaurum

Coniaurum. — Coniagas controls Coniaurum. The latter is well financed, having sufficient cash to care for all developments and the erection of a mill. Newray is also interested in Coniaurum, being exchangeable on a basis of 10 for 1, while Goldale also holds a large block of this stock in its treasury. Developments on Coniaurum have been such that the expectation has become general that mill plans will be announced this fall. The property has been opened to 1,500-ft. and developments to date have proven a mine. Deeper developments will be necessary before it will be known how big and rich a mine it will be.

Consolidated West Dome Lake recently encountered commercial ore in No. 2 vein. This is the first result of a trying and extended exploratory program which has been financed out of production. With its treasury exhausted, the company has been living a hand to mouth existence, the mill besides paying expenses, providing a small surplus to allow for new exploratory work. The further development of the new ore discovery on this property will be watched with interest.

Dome's Future Uncertain

Dome. — Dome continues very speculative. Dividends are being maintained on a basis of $2 per year. To do so the company is eating into its dividend assurance fund and it is a question how long this will continue, unless new finds are made on the property. The company has not earned its dividend this year. Dome has another speculative phase in its option on the Howey Red Lake properties which it is exploring. Diamond drilling has been going on. There are reports that much encouragement has been met with. These are in a measure guesses as Dome has not given out news officially. Credence in these reports is gained by the report that Dome was holding back information obtained in some of the drill holes from the Howey Syndicate. A rumpus took place and the missing information, which is said to have been quite favorable, was forthcoming. Dome

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Why British Manufacturers Fail in Canadian Markets

Editorially in last week's issue, The Financial Post, in discusing the reported loss of $1,000,00 by the Spillers Milling interests in their ventures in Western Canada, pointed out that these and other losses by British industries in Canada could be traced, largely at least, to the failure of British manufacturers to adjust themselves to Canadian conditions. The reluctance of the British manufacturer and the British exporter to adjust himself to conditions in foreign markets is the subject of comment in a recent article appearing in the Saturday Evening Post. Contrary to the usual conclusion, the writer of this article submits that the British merchandiser is clever and astute in catering to the British public but that he falls down when it comes to catering to foreign consumers. The inability of British exporters to successfully enter the Canadian market is the subject of an editorial article by Hardware & Metal. The writer asks why it is that industrial leaders of Britain, a country which has for ages been one of the world's largest exporters of manufactured products, experiences difficulty in establishing in the Canadian market. The writer continues:

This week Hardware and Metal was invited to a conference with certain English manufacturers of electrical equipment who had been endeavoring to market their product in Canada, but with little success. It is necessary for all equipment of an electrical nature to be subjected to certain tests before approval is given, and without this approval it is practically impossible to market electrical goods in Canada. These manufacturers had submitted their products to the authorities for approval, but were told that certain slight changes would have to be made in them before they would comply with the specifications laid down as result of years of experimentation in laboratory work, specifications which are considered necessary for the safe operation of such equipment under conditions existing in this country. These manufacturers were more inclined to argue the merits of such specifications than to change their product.

We are not prepared to give an opinion as to whether or not the English standard followed in the production of

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SHAREHOLDERS OF PROVIDENT CORP. URGED TO AGREE

Directors Strongly Favor Offer of the Huron and Erie

SOME OPPOSITION

Appeal is Being Made to Local Pride—Reply is That Not Only is Price Attractive But Deal Advisable

Certain opposition having developed to the proposed sale of the assets of the Hamilton Provident and Loan Corporation to the Huron and Erie Mortgage Corporation, the shareholders of the Hamilton institution are being urged by their directors, who have unanimously passed upon the plan, to carefully consider the proposal and to send on their proxies if they approve and if they cannot attend the meeting to be held at Hamilton on Sept. 9. Attention is particularly called to the fact that it is necessary that the proposal receive the votes of two-thirds of the shareholders if the sale is to become effective. On the following day a meeting of the shareholders of the Huron and Erie is to be held at London for the purpose of ratifying the transaction.

The shareholders of the Hamilton Provident are being urged to endorse the action of their directors, as the offer of the Huron and Erie is regarded as very attractive under all the circumstances. The price named is $227 a share while transactions took place in the stock on the Toronto stock exchange this spring at $165. Thus, whereas the value in the open market of $1,000 of Hamilton Provident stock may be regarded as $1650, the purchase offer equals $2,270. Of this sum $2,170 is to be immediately paid and shareholders are entitled to share in a reserve fund of 10 points to be set aside as a guarantee against possible losses on Hamilton Provident mortgage investments. This guarantee fund will be jointly administered for the benefit of Hamilton Provident shareholders by representatives of both companies. All these points were no doubt carefully considered by the Hamilton Provident directors before making their recommendation to the shareholders. The distribution to shareholders is proposed on the basis of $100 cash $117 in short term debentures of the Huron and Erie bearing 5 per cent. half yearly and $10 to be set aside for the reserve fund.

The Opposition

Opposition to the proposed sale is being organized by three shareholders of the Hamilton Provident, H. E. Snyder, H. W. Clarkson and H. Brown, whose letter to other shareholders draw attention to the following points:

If the sale is made no interest is paid from July 1 to Sept. 9; shareholders will be liable for income tax; the market value of Huron & Erie debentures are $95.37 per $100, and members will lose the difference if shares are sold; assets of the local company are undervalued; a Canadian chartered bank has offered to advance $230 per share to local shareholders to enable them to retain the company.

The President's Letter

Such an appeal may be expected to arouse considerable interest among Hamilton shareholders because of local pride in a local company, but those who favor the sale believe that it would be very short-sighted on the part of those shareholders in their own, the company's or the city's interests to fail to take advantage of the offer made. In urging acceptance the following points are made by President George Hope in a letter to the shareholders:

As the price offered is so much above the price at which our shares have ever been quoted on the Stock Exchange, your directors felt in duty bound to

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The Trend of Business and Industry

The Background of Canadian Business

WEEKLY REVIEW OF CONDITIONS

Undertone of Business Confidence Firm
More Industrial Power is Being Used
Food Products Industries Show Expansion
Unusually High Mid-summer Demand for Steel Products

There is an undertone of confidence in the business situation throughout Canada this summer that has not been present during any summer period for some years. Seasonal depression is less marked than during any August since 1919 and perhaps longer. It is not that there has been any sudden and unforeseen revival of trade. Foreign trade has expanded unusually for this time of year, but domestic trade has kept on a fairly even keel, always improving slightly if not very rapidly. More money is available and is being spent in almost all lines. More insurance is being written—more securities are being sold—more bank loans are being made—there are more real estate transactions and more new building. Equipment companies are reporting increased activities and larger orders. Wages in general are moving slowly upward. All this is evidence of the improvement in underlying conditions. Unfortunately the political situation is and has for some months been an upsetting rather than a helpful force. Business is tending to improve in spite of politics.

More Power is Being Used

A seventeen per cent. increase in the amount of electricity generated in Canada for Canadian use, and a thirty-eight per cent. increase in comparison with two years ago, shows clearly that some, at least, of the Canadian industries are making rapid headway. The valuable index computed by the Royal Bank of Canada shows a total for the five month period of 133,198 kilowatt hours against 113,589 last year. It is noted that the daily production in Ontario and Quebec dropped off only one million kilowatt hours, during the slack season, while the drop for all Canada was twice this amount. This means that the seasonal recession has been more severe than usual in Western Canada, amounting to about 15 per cent. of the maximum, while the drop in the two industrial provinces of Ontario and Quebec was only 4½ per cent. The normal seasonal drop at this time in the United States is nearly 15 per cent., so that activity in Ontario and Quebec has more than held its own. This throws some important light on the trend of conditions in these two provinces. Manufacturing has been handicapped for some time and the business of the country has been held back accordingly. The beginning of expansion in these lines of industry is of eminent importance to business in general.

Food Products Industries Grow

One phase of Canadian business that is becoming more and more important is the more extensive production of various classes of food products. Some years ago most of our prepared foods, cereals, and canned products were imported. Few plants were exclusively engaged in the production of these goods. Gradually the situation has changed. Many small firms entered the field of producing these products and building up an export business as well. To-day seventeen commodities account for over 90 per cent. of Canada's export trade, and the leading commodities in this group are food products. The food products showing the greatest percentage of increase are wheat, refined sugar, cheese, oats, meats, potatoes, flaxsed, barley and cattle, in the order named. In many of these lines Canadian goods have made a decided impression abroad and their future is assured. By means of a gradual process of merging and consolidation, these firms have become among the strongest in the country, and are providing a much wider range of products than was the case only a few years ago.

Among the basic steel and iron trades seasonal business is larger than was anticipated. A general weakening in most sections of the price structure in the metal markets during the last few weeks has brought prices to a level which sellers believe is the low point for the summer. There is a general continuance of the usually high mid-summer demand for materials, and the usual considerable reductions in output have yet to take place.

Thirteen Per Cent. More Freight Shipped

Up to the end of July the total of car loadings in Canada for 1926 amounted to 1,725,746 against 1,529,209 for the corresponding part of last year. This is an increase of 13 per cent. The improvement is more noted when one includes cars received from connections, in which case there was a rise of 316,960 cars. Merchandise, grain and coal shipments, both in Eastern and in Western Canada, were responsible.

July Building Largest During Fourteen Years

The $33,864,700 total of construction during July was an increase of 52 per cent. over the same month last year and the total was the largest for any July since 1912 according to MacLean Building Reports Limited. Outside of a few large contracts such as the cold storage warehouse in Montreal, a hotel in Regina, etc., the bulk of the contracts were of average size.

Quebec still leads in the volume of building. In that province 36.8 per cent. of all construction was undertaken, having a value of $12,470,300 as against $12,158,600 for Ontario. The Prairie Provinces show a still further increase over June of only $6,447,000 or 19.1 per cent., while British Columbia recorded a smaller total than the previous month, namely, $1,729,100 or 5.1 per cent. of the total. The Maritimes accounted for 3.1 per cent. of the total.

It is rather significant that business building during the month was ahead of all other classes, accounting for 42.1 per cent. of all building or $14,276,400. Residential work accounted for $10,154,700 or 30 per cent.

For seven months period ending January, the construction of business buildings, other than residential, takes precedence. Contracts amounting to $68,360,900 or 29.8 per cent. of all construction are shown in this class.

Gold Shipments From United States Heavy

A wide premium on Canadian exchange which is close to the highest point this year has resulted in large shipments of gold from the United States. During the present movement, since last week, a total of $5,500,000 has been transferred. The strength of exchange is attributed to the large amount of Canadian financing recently carried on in the United States, but the very favorable foreign trade position of the country is also a factor.

Standard Tires Not Suited to Time Sale

Dealing with the sale of automobile tires on the instalment plan, C. H. Carlisle, president and general manager of Goodyear Tire and Rubber Co., is reported by Hardware and Metal to have said: "It would appear to me that it would be difficult to successfully merchandise any high grade or standard tire on the instalment plan for the reason that margins of profit to the tire dealer are decidedly small and hardly sufficient to show a necessary profit to the tire dealer.

"Owing to keen competition the margins to the dealers will not likely improve and it is only the dealers who apply business methods, that have sufficient capital with a large volume of business giving them a rapid turnover, that can make money. The selling of tires with a small down payment, the cost of investment during the time of payment, the cost of keeping books and making collections plus a loss on credits that must necessarily take place, seems to put the instalment dealer in a position where he cannot make a profit on the same class of goods at the same price as sold by regular dealers."

Canadian Business Indicators

Compiled weekly by The Financial Post.

	1926	1925
Car loadings, week July 31		
Year to date	61,467	50,872+ 20%
Merchandise shipped, year to date	1,725,746	1,529,209+ 13%
Building permits—June (49 cities)	462,007	436,286
Construction contracts awarded, June	$71,060,835	$59,251,588+ 20%
Railway Earnings—Six Months—	54,186,000	33,230,000+ 63%
C.P.R. gross		
C.P.R. net	85,227,786	75,155,819+ 13%
C.N.R. gross	13,956,687	7,797,646+ 79%
C.N.R. net	120,989,008	105,543,743+ 14%
Pig Iron Output—tons, June	14,856,660	3,742,345+297%
Steel Ingot production, June tonnage	70,854	45,883+ 54%
6 months to June 30	81,277	63,140+ 28%
Automobile production—(Year to date)	410,603	413,891— 0.7%
Newsprint production—May tonnage	$75,769,450	$59,755,291+ 26%
Employment—June index (5,907 firms)	153,969	130,013+ 18%
Immigration—4 months to May 31	101.0	94.5+ 7%
Business failures—No. of firms, May—	39,442	21,776+ 81%
Liabilities, May	120	160
Imports of key commodities, 12 mos. ending June—	$ 2,065,385	$ 3,375,485
Rubber		
Cotton	$37,327,931	$16,557,781+125%
Crude petroleum	$27,507,219	$26,725,520+ 3%
Exports of key commodities—Canned salmon, May, lbs.	$31,514,766	$22,823,931+ 38%
Newsprint, May, tons	1,303,000	2,019,000— 35%
Wheat flour, June, bbls.	135,251	115,766+ 17%
Wheat, June, bus.	1,029,490	596,001
Grain receipts, August 1 to July 30	9,918,315	9,354,355
Bank clearings, July	$399,262,875	$261,185,932+ 52%
Savings deposits, June (chartered banks)	1,227,121,299	1,119,600,769+ 9%
Current loans, June, (chartered banks)	1,328,225,287	1,253,703,216+ 6%
Exports, 12 months to June 30	931,548,713	895,592,277+ 4%
Imports, 12 months to June 30	1,349,593,037	1,090,706,331+ 23%
Balance of trade, 12 months to June 30	962,178,723	808,822,004+ 19%
Price level, June index, 236 commodities	387,414,314	281,884,327+ 37%
Wheat, No. 1 Nor., Winnipeg, August 9	155.7	158.6
Cattle—Good, Toronto, August 9 $7.20 August (Average) $7.47	1.53	1.67— 8%
Hogs—Select, Toronto, August 9, $13.00. August (Average) $14.00		3%
Pig iron (Number 1 foundry)	28.50	— 7%
Bond sales, June	$59,290,123	..... $30,956,100+ 91%

BUSINESS CYCLE OF FIVE YEARS DURATION HERE

National Association of Economic Research Finds This is Average

The business cycle in Canada has an average duration of 5 years, according to a report on business conditions in seventeen countries now being completed by the National Bureau of Economic Research of New York. Dr. Wesley C. Mitchell, director of research of that bureau supervised the compilation of the records by Dr. Willard L. Thorp.

A study of the business history of the United States and Canada resulted in the identification of 32 business cycles in the former country during the past 128 years. One cycle of one year was found in 1845-46. The longest cycle was nine years, 1873-82. The peculiarity of the American cycles, according to Dr. Mitchell, cannot be due to the newness of the country, since Canadian, South African and Australian cycles conform more closely to the European type. The number of cycles, their average duration, and the period, were as follows:

Country	Period	Number of Cycles	Average Duration of Cycles in Yrs.
United States	1796-1923	32	4.0
Japan	1890-1920	7	4.3
Russia	1891-1925	7	4.9
South Africa	1890-1920	6	5.0
Argentina	1890-1920	6	5.0
Brazil	1869-1924	7	5.0
Canada	1883-1924	4	5.1
Germany	1848-1925	15	5.1
India	1889-1920	6	5.2
France	1838-1920	15	5.5
Austria	1866-1922	10	5.6
Sweden	1892-1920	5	5.6
Australia	1890-1924	6	5.7
England	1793-1920	22	5.8
Netherlands	1891-1920	5	5.6
Italy	1888-1920	5	6.4
China	1888-1920	5	6.4

Dividing English annals into two periods, the first covering 1793 to 1857 and the second from 1857 to 1920, the investigators found that the average length of English cycles in the first period was nearly five years and in the second exactly seven. Dr. Mitchell maintains, however, that those averages are even less a guide to business forecasting in England than in America.

Cycles Length Steady in Canada

"If we split the periods covered by our annals as nearly in the middle as possible," Dr. Mitchell concludes, "we find that the average length of business cycle has increased in France, as in England; decreased in Germany and remained constant in Austria, as in the United States.

"If we wish to find out what we can about the probable duration of future business cycles we should discard observations upon cycles whose duration has been determined by factors of a kind not likely to be influential in the future. If the data for any country show unequivocal evidence of a change in the length of cycles, the later data are likely to be a safer guide to expectations than the earlier data or the full array.

"But we have no warrant for discarding cases in which cycles seem to have been cut short or prolonged by wars, civil disorders, exceptional harvest conditions or any other factor, unless we believe that such 'disturbing circumstances' will not recur in the future as in the past."

BIG INCREASE IN JUNE BANK DEBITS

Evidence of Increased Business Activity—Expansion Shown Also for Half Year

Bank debits to individual accounts were greater in June than in any other month of the present year; when allowance is made for seasonal tendencies, the June debits were greater than in any other month since the record was first obtained in January, 1924, except April, 1926. The total in June, as reported to the Dominion Bureau of Statistics by the Canadian Bankers' Association, was $2,684,000,000 as compared with $2,151,000,000 in June, 1925, an increase of $533,000,000 or nearly 25 per cent., while the advance over June, 1924, was about 34 per cent. The debits in June, when adjusted for seasonal variation, show an increase of 17 per cent. over May last and a decline of 3 per cent. from April. The bank clearings in June were $1,469,252,796, as compared with $1,240,079,079 in the corresponding month of 1925, a gain of 18 per cent.

The debits for the first half year of 1926 amounted to $14,541,000,000, as compared with $12,812,000,000 in the corresponding period of 1925, an increase of more than 13 per cent. The greatest gain was experienced in the province of Quebec, where the increases were recorded in each of the economic areas. The increase in Ontario was nearly 16 per cent., while gains of 12 per cent. and 10 per cent. were shown in the Maritime provinces and British Columbia, respectively. Notwithstanding the more extensive movement of grain in the last six months owing to the large crop of 1925, the debits of the Prairie Provinces were only 4 per cent. greater than in the corresponding period of 1925.

Debits to Individual Accounts

	June, 1926 $	June, 1925 $
Clearing House Centres—		
Maritime Provinces—		
Halifax	24,958,787	23,674,121
Moncton	6,557,724	6,202,990
St. John	18,538,076	18,149,374
Total	50,054,587	48,026,485
Quebec—		
Montreal	746,965,441	599,089,588
Quebec	52,265,801	51,432,512
Sherbrooke	8,336,480	8,445,883
Total	807,567,722	658,967,983
Ontario—		
Brantford	8,800,002	10,980,589
Chatham	7,128,767	5,477,265
Fort William	7,640,359	6,092,524
Hamilton	54,765,031	42,852,749
Kingston	5,535,036	4,966,743
Kitchener	9,472,917	9,442,287
London	26,142,861	24,835,660
Ottawa	198,128,823	182,833,990
Peterborough	6,579,185	7,212,674
Sarnia	8,805,275	No Record
Toronto	813,457,501	582,622,955
Windsor	41,767,910	30,989,679
Total	1,188,223,667	908,307,115
Prairie Provinces—		
Brandon	4,147,961	4,172,908
Calgary	48,123,153	47,508,371
Edmonton	32,031,270	28,404,444
Lethbridge	5,312,044	4,228,632
Medicine Hat	2,733,163	2,423,404
Moose Jaw	8,915,689	7,749,813
Prince Albert	2,226,996	2,039,153
Regina	35,890,022	21,475,180
Saskatoon	11,379,032	8,863,642
Winnipeg	324,197,804	252,641,978
Weyburn Bank	2,449,854	2,468,750
Total	477,406,988	381,976,275
British Columbia—		
N. Westminster	6,880,063	5,542,361
Vancouver	122,311,182	120,699,223
Victoria	31,712,787	27,747,151
Total	160,904,032	153,928,735
Grand total	2,684,156,996	22,151,206,593

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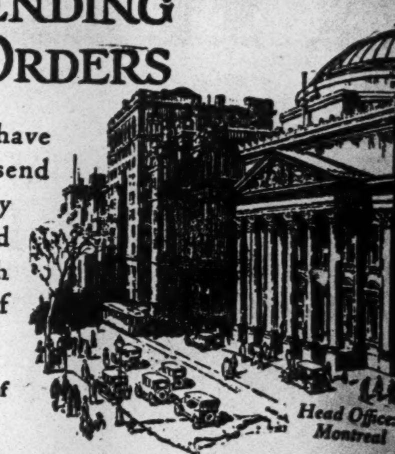

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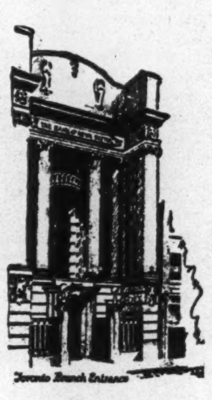

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Crop Conditions

FIRST TRAINS OF NEW WHEAT ARE ON WAY EASTWARD

Lower Government Estimate Shows Serious Damage Caused by Drouth

At the same time as the first car of new wheat from the prairies was shunted into line for shipment east, the spell of torrid weather which threatened to cause the loss of millions through grade depreciation, was broken. Abundant showers fell in almost all sections of the three provinces. Only isolated parts in each province missed it and such parts have suffered severely. Fortunately they mean very little in relation to the grand total, but this is poor consolation to the farmers concerned who are still watching daily for some relief. Generally speaking, the average condition of the crops in all provinces is well up to the average of two or three weeks ago.

In the Province of Saskatchewan, which last year produced 62 per cent. of all the wheat grown in the West, and 58 per cent. of the grand total for all Canada, the outlook is certainly above average. Cutting is well under way in the majority of districts and will be general by the end of this week. The hot, dry weather of July which was rapidly forcing the grain to maturity was broken by showers last week, which were pretty general except in some districts in the southwest and the west-central parts of the province. The rain and cooler weather following it, although somewhat late to benefit the early crops to any great extent, will improve the late crops and help to relieve a possible feed shortage which was threatening some districts in the West. Summer fallow crops are generally reported fair to good, and stubble crops poor to fair. Very considerable hail damage occurred last week, particularly in the south-central part of the province. Many places also report damage from the wheat stem sawfly, which appears to be more prevalent than in former years. No other damage except that resulting from heat and drouth is reported.

Other Provinces are Spotty

Throughout the Province of Alberta what has been said of Saskatchewan more or less applies except that the rains were not so general, and there are some sections still suffering from severe drouth. Crops on well tilled land are progressing quite satisfactorily despite the prolonged drouth. Along the eastern and south-eastern borders of the province there are sections which are in a rather bad way. The irrigated belt is in very good condition.

Manitoba has also suffered severely from drouth, and although recovery has resulted in many sections from the recent rains, the damage in rather wide areas is irreparable. There has been remarkably little damage from other causes such as rust and hail, of late.

Harvesting of fall wheat has been progressing rapidly throughout Ontario and some threshing has already taken place. The yield is expected to be from 10 to 25 per cent. below average, although indications in many sections point to a return well above the average. Quebec is somewhat farther behind, but the outlook is well up to average at the moment. In the Maritime Provinces satisfactory progress is being made and the crop is expected to be well up to average. This is the case also in British Columbia, where the harvesting of oats and barley is well advanced. The apple crop is reported satisfactory.

Estimate Shows Effects of Drouth

The latest estimate of the total wheat yield published this week by the Dominion Bureau of Statistics shows the damaging results of the prolonged period of drouth. A total of 316,000,000 bushels for all of Canada is a decrease of 31,666,000 bushels from the estimate made a month ago. This compares with a final estimate for last year of 411,375,700 bushels. This is based on the fall wheat estimate, the average yield of which is estimated at 22 bushels per acre as against an average of 30 bushels last year, and with a ten year average of 23.8. In Ontario the preliminary estimate is 15,343,000 bushels from 697,400 acres, compared with 22,764,700 bushels from 747,101 acres last year.

Output of Petroleum Largest Since 1922

A slight further increase has taken place in the output of petroleum products in Canada, last year's production being $50,762,127 against $49,411,067 in 1924. This total was the largest since 1922.

The increase in output is due to the pressing in of new fields as the older fields pass into decline. With a capital investment of $50,580,549 and an average employment of 3,738 persons, the refining of petroleum and compounding of lubricating oils and greases represents one of the most important industries in Canada. Production from the 13 refineries operating in 1925 totalled $49,802,615, while the eight plants manufacturing only lubricating oils, greases, etc., produced $959,512 worth of these commodities for sale. Raw materials cost $38,261,024, while the value added by manufacturing amounted to $12,501,103. Expenditures for salaries and wages during the year amounted to $5,775,046.

George S. Brader, who has been associated with the Canada Cycle & Motor Co., Ltd., for a number of years, has been appointed sales manager in connection with that organization.

Provincial Jealousies Blamed by Chicago "Lab" for Foreign Inspection

The situation in connection with the approval of electrical appliances for use in Canada dealt with in a number of recent articles in The Financial Post is becoming more tense as it develops, though there are indications that out of the heated exchange of opinions the matter is nearing a satisfactory solution.

Briefly the situation is that the approval of the Fire Underwriters Laboratory in Chicago, U.S.A., is required by inspectors of electrical equipment throughout Canada, but because the Hydro Electric Power Commission of Ontario has a laboratory in Toronto working on the same specifications, its approval is taken in Ontario and in some cases outside of Ontario. The Chicago laboratory is supported largely by contributions from manufacturers, though the original equipment was installed by funds supplied by the insurance companies. No complaint has been made by Canadian or United States electrical firms on this score, but British electrical firms attempting to do business in Canada claim to have found discrimination against them in this method of securing approval and they are making loud complaint that it is necessary for them to be dependent upon the approval of an apparently American controlled laboratory located in the United States, for approval on their appliances for Canadian trade.

One British manufacturer who has expressed himself forcibly on this matter, manufactures a wide range of electrical switches and other lines and claims to have been making strong efforts to come on the Canadian market with little avail due to the alleged obstructions placed in their way through having to go to Chicago for approval. In an interview with Hardware and Metal he stated that there were no such standard specifications for approval in England and despite that, higher standards of efficiency in electrical equipment were followed. He stated that there were fewer fires from defective electrical equipment in England than in America and that this was proof of the efficiency of their product. He stated that the laboratory at Chicago was designed entirely to bring about measures which would be protective of property against fire and that it was not concerned with protection of public life. He further stated that in his interviews with Canadian wholesalers the opinion had frequently been expressed that the English electrical product was much superior. Some jobbers were said to have expressed disfavor with the quality of the Canadian product in the case of switches and other lines. He had attempted to bring pressure to bear on the laboratory at Chicago through the heads of British insurance firms doing business in America and which had contributed initially to the establishment of the laboratory, but the British directors were leaving the matter largely to their agents here and the local agents in turn were unable to bring sufficient influence to bear on the situation. In view of the alleged superiority of the English electrical product, this manufacturer thought the Canadian Manufacturers' Association and the Canadian public in general should be interested in helping them get a "fair deal" on securing approval of the product. He was sure that the specifications insisted upon the fire underwriters and by the hydro were merely the "whims" of officials and were totally unnecessary, and he was not going to change his product for any such whim.

What the Fire Underwriters Say

The editor of Hardware and Metal had a visit from M. M. Brandon, an engineer of the Underwriters' Laboratories of Chicago, in company with J. R. Catterall, Toronto, inspector for the National Board of Fire Underwriters. Mr. Brandon came to discuss the views expressed by these British manufacturers and to give the other side of the question.

In regard to the allegation that there was less fire loss in England than in Canada, Mr. Brandon pointed out that building standards were much lower in Canada than in England and that there was more danger of fire loss though very little of the loss in either country was attributable to defective electrical equipment and this could not be taken as any criterion. He disagreed with the stand of British manufacturers that English equipment was superior to American apparatus, pointing out that in many lines of development and research in the electrical industry this continent was far ahead of Britain. This was brought about as a necessity, electrical development having proceeded so much further in this country due to our unlimited sources of energy and need for carrying thousands of horsepower of electricity over long distances. He stated that the Fire Office's Committee was established in England as a national organization functioning in the investigation of anything in the way of equipment in which danger of fire or life was concerned, and that recommendations from that committee largely influence the laboratory at Chicago. Men representing that committee had gone to Chicago to investigate the laboratory work with the idea of installing similar testing equipment in England.

Mr. Brandon pointed out that the council of the Chicago laboratory was very representative in order that requirements of all sections of the two countries might be considered. F. A. Cambridge, municipal inspector of Winnipeg was a member of the electrical council of the laboratory, for instance, and he has a vote in connection with every device passed upon. Mr. Brandon denied that there was any discrimination whatever against British products, stating that in recent years there had been practically no British equipment presented for approval. This was the reason there was nothing but a time-switch of British origin on the present list of approved electrical equipment.

Asked about the maintenance of the laboratory, Mr. Brandon replied that it was now supported by funds which come in through the sale to manufacturers of approval labels and engineering services. The original equipment for testing purposes was installed by the insurance companies.

In view of the fact that the laboratory of the Hydro-Electric Power Commission of Ontario is working on the same specifications in its testing as the Chicago laboratories, Hardware and Metal asked Mr. Brandon why the Hydro approval was not taken by the fire underwriters outside of Ontario, thus keeping the testing within the boundaries of Canada and eliminating any suspicion of discrimination through having to go to Chicago for approval. His reply was that while there were some lines which the Hydro was not equipped to test, the majority of small appliances and supplies could be tested by the Hydro and approved in such a way as would quite meet the requirements of the fire underwriters. The reason such approval was not being taken outside of Ontario, he ascribed to provincial jealousy in the electrical development industry and partly to the fact that the Hydro, as a public ownership undertaking, is none too popular with private enterprise in the other provinces.

NEW WAREHOUSES AT CORNER-BROOK

QUEBEC.—The Anglo-Newfoundland Pulp & Paper Company, of Cornerbrook, Nfld., a concern which is subsidized by the British and Newfoundland governments and the G. W. Armstrong-Whitworth Co., has just granted a contract to the T. E. Rousseau Co., of Quebec, for the construction of a wharf and warehouses, at a cost of approximately $250,000, at Cornerbrook, Nfld. The work, which will employ at least 150 men, will commence immediately, and the contract calls for its completion by November 1, next.

Why Canada is Back on a Gold Basis

According to the Federal Reserve Bulletin, among the principal factors facilitating Canada's return to the gold standard have been the growing favorable balance on external trade account, together with a decline in the net trade balance due the United States; the liquidation of British indebtedness to Canada; the restoration of the pound sterling and other foreign currencies to a gold basis; the resumption of cash or short-term payments in international trade; the complete funding of the national debt, the major portion of which is internal; the increasing American and foreign investments in Canada; the rise in other "invisible" items in her balance of payments, notably tourist expenditures; and the continued expansion in the annual gold production.

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The Securities Markets

MIXED MOVEMENT IN THE MARKETS WITH REALIZING

Continuation of the Rise Expected in Autumn, But—

MARKET INDICATOR

20 Industrial Stocks

	High	Low
Week of Aug. 11	97.3	94.3
Week of Aug. 4	95.6	93.3
Mth. of Aug. 1925	84.2	76.3
9 Bank Stocks		
Week of Aug. 11	$225	$224
Week of Aug. 4	225	224
Mth. of Aug. 1925	210	208
10 Public Utilities		
Week of Aug. 11	95	93
Week of Aug. 4	93	92
Mth. of Aug. 1925	91	87

After continuing the advance movement under the leadership of such speculative favorites as Brazilian Traction and Consolidated Smelters, the market has faltered, reacted rather sharply, if moderately, and has since displayed conflicting tendencies. Business news continues generally favorable. There is no change in the present situation or early outlook to warrant a reaction. At the same time it must be remembered that price levels are high and that there has been an advance movement which perhaps warrants a reaction for technical reasons, if for no other. Also, it may be wise not to disregard market history which has shown that bull movements frequently have their culmination some months in advance of a change in business conditions. The strong argument for a continuation of the upward movement at the conclusion of the present reactionary evidence of that construction in money supply which usually accompanies a change from a bull to a bear market. It was the easy credit situation which facilitated the remarkable recovery of the market after the slump in the spring.

For the time being the trend of business and financial developments in the United States seems to be pretty closely paralleling the trend in Canada, and for this reason the Canadian markets are pretty much dominated by Wall Street. This was noted this week when Brazilians and Smelters sold off in much the same manner, although not to the same extent, as General Motors and United States Steel sold off in New York. While the recent spectacular bull market in New York was a generally unexpected follow-up to the decline of last spring there are few indications at the moment that it has yet worked itself out. Whatever the present reaction, a resumption of the upward movement is being predicted for fall to culminate finally when money rates warrant general liquidation of securities. However, as Wall Street very frquntly surprises its followers, it may be that the public will not be attracted to participate in a further broad bull movement at the prevailing high prices and that the present liquidation will be extended as this is realized by disappointed pool operators.

In any event it may be repeated that the markets are now obviously in a period of distribution and considering the very high average price level conservative investors will be inclined to take profits or to make new commitments very carefully.

Net Gains Predominate

As indicated by the following summary, net gains predominate over losses for the week under review:

	Gains	Losses	Unch.	Ttl.
Banks	3	5	1	9
Paper	6	4	4	14
Steel	7	4	20	31
Foodstuffs	6	12	22	40
Utilities	11	2	14	27
Tractions	2	3	9	14
Textiles	3	2	9	14
Industrials	12	10	26	48
Totals	50	42	105	197

In the bank stocks Montreal made a gain of 2 points and Royal showed a loss for the same amount; other changes were not important. In the papers the upward movement continued with Brompton, Laurentide, Howard Smith and Wayagamack leading, while Abitibi sold lower on realizing, after its sharp advance. In the steels Steel of Canada moved up to a new high for all time at 108; others in this group to show strength were Canada Forgings, and Dominion Bridge, while Ontario Steel and Massey-Harris sold lower. Losses predominated over gains in the foodstuffs group where Canada Bread, Canadian Canners, Canadian Bakeries, and City Dairy were among those to lose ground.

Utilities stocks generally, gained ground. Leadership was provided by Montreal Power and Shawinigan, which advanced several points. Consumers Gas and Southern Canada Power were among others to move up. In the tractions Brazilian moved to a new high mark and Barcelona advanced several points.

In the textiles and general industrial groups advance were slightly more numerous than declines, but Penmans common sold off three points to 183. Tuckett Tobacco was weak, losing several points. Sherwin-Williams showed strength, advancing to 138.

General Electric Has Good Business Outlook

For several months business conditions in the electrical industry have been improving steadily, and this condition has reflected very favorably on the business of the Canadian General Electric Co. It is stated that business for this year is considerably ahead of the same period last year.

In addition, the outlook for the future is particularly bright. There is a large amount of industrial development under way, making a strong demand for electrical equipment of all kinds, and it is reported that the orders on hand will keep them busy until the end of 1926 and well on into 1927.

National Cash Register Showed Smaller Profits

The National Cash Register Co., in which there is considerable investment interest in Canada, reports a consolidated net profit of $3,167,580 for the six months ended June 30, after depreciation and federal taxes, compared with $3,870,731 in the first half of 1925. The earnings, if applied directly to the Class A common stock, equaled $2.88 a share on 1,100,000 shares of no par stock, compared with $3.51 last year.

Under the participating provisions of the stock, the net profit for the six months was equal to $2.11 a share on the combined 1,500,000 shares of Class A and Class B common stock, against $2.58 a share in the first six months of 1925.

The consolidated net profit for the June quarter totaled $1,961,302, equal to $1.78 a share on the Class A and $1.30 a share on the combined common stock, compared with $1,206,278, or $1.09 a share on the Class A and 80 cents on the combined common stock in the preceding quarter.

Forward Movement of Canadian Stocks Predicted

A forward movement of Canadian stocks is predicted by Craig, Luther and Irvine:

"There are many close students of market affairs who regard the present as something of an interlude in the forward movement which good Canadian stocks have been enjoying for some months past. They point to the narrowing floating supply of the shares of many of the leading industrial corporations and predict that as the business cycle for the Dominion develops, it will be found expedient for this diminished supply to be increased.

"This, undoubtedly, will mean that a number of Canadian corporations will follow the lead of such organizations as Montreal Power, and F. N. Burt and revamp their capital structures in such a way that several shares of stock will appear in the place of those presently outstanding. Moreover, the present is a day of mergers. This is particularly so in the pulp and paper industry, but is finding expression in the general industrial field as well as among the public utility organizations. Such developments are constructive in character and are even now having their effect upon the valuation of listed securities."

STEAMSHIPS MAKES ADVANCE

MONTREAL.—Canada Steamship Lines preferred came in for a good volume of buying and advanced two points to the best price since 1920. The street hears encouraging reports as to the earnings showing for the year to date and the prospect for the balance of the year.

No Compromise in Security Values

DEMAND STERLING REPORTS
CERTIFIED REGISTERED PROFESSIONAL ENGINEERS
Sterling Appraisal Company Limited
9-11 E. Wellington St. Toronto

DIVIDEND OUTLOOK FOR INTERNATIONAL

Increased Profits Anticipated in View of New Facilities In South America

Report of the arrival at Montreal of the first shipload of crude oil from the Colombian properties of the Tropical Oil Company, which is a subsidiary to International Petroleum, has aroused further interest in the investment possibilities of International Pete, its parent Imperial Oil, and the other associates, Tropical Oil and Andian Corporation. There has been some buying of International Pete shares at advancing prices and forecasts of an increase in the dividend distribution are heard. Undoubtedly there will evently be higher returns in dividends for the holder of shares in International Petroleum and Imperial Oil—the price of the shares on the market pretty definitely indicates this—but investors should not overlook the fact that there is very keen competition in the oil industry today and that the directors of these companies have followed a pretty conservative dividend policy. The Financial Post is informed also that as yet there has been no definite talk of an increase on the part of the board. Recently the directors of International Petroleum declared 25 cents per share, which was a disappointment in some quarters where an increase had been expected at that time.

In connection with the ceremonies at Montreal to mark the arrival of the first crude oil from South America from the Tropical Co., through the pipe line of the Andian Corporation—thus making all Canadian control—Sir Herbert Holt announced that there would immediately be undertaken by the Andian Corporation the building of a second pipe line to practically double the present capacity. This will involve new financing.

International Petroleum has been making heavy investments in South America, indicated at about $15,000,000 in the annual report of the Standard Oil Company of New Jersey. It would now seem that the company is in a position to reap the benefit of these development undertakings. The International has an estimated capacity production in Colombia at present of 100,000 barrels per day. This is the development of a single structure. Inasmuch as the company has nine structures, each one looked upon as holding similar possibilities to that already tapped, the opportunities for the future appear to be tremendous. Peru, in which the company has also done development work, is showing up well. Production is reported to be running about 30,000 barrels per day.

Laurentide Expected to Make a Good Showing

MONTREAL. — Laurentide developed strength on what appeared to be strong investment demand. The company's year closed on June 30, and the showing which will be made in the annual report, due to make its appearance in a little over two weeks now, is generally expected to be a good one. The showing a year ago was a better one than most people had expected, as not only had there been a five-dollar reduction in the price of newsprint, but there had been a curtailment in operations amounting at times to around 15 per cent. The administration, however, had again justified the faith which shareholders have so long placed in their board and had instituted economies which offset lower prices and curtailment of production.

For a part of the year upon which the coming report will be based, lower prices will also have to be figured on, but production has been at just about as near capacity as any industry can expect. The market for newsprint has been a surprise to every one, and to no one more than the insiders themselves.

Beacon Oil Company Reports Good Half Year

Beacon Oil Company has issued a statement to its shareholders on the operations of the last six months. This report shows that net earnings for the six months ended June 30, 1926, applicable to the common stock (after all charges, including preferred stock, dividend requirements and depreciation) were $266,000, in spite of a net loss of $228,000 during the first quarter. Notwithstanding the late spring and other adverse conditions, the net profit for the second quarter was $494,000 after depreciation and preferred dividend requirements.

The report says that the necessity of extensive alterations and repairs at the refinery resulted in a partial shutdown and restricted operations. Nevertheless, the daily average gasoline production for the first half of 1926 was 131,900 gallons, compared with 124,000 gallons for the same period of 1925. The daily average production of gasoline for June was 165,400 gallons, against 122,200 gallons in June, 1925, an increase of 35 per cent., which illustrates the expansion of refinery operation.

CANADA FOUNDRIES HIGHER

Canada Foundries and Forgings advanced to 50, scoring a gain of five points during the past month. This company is sharing in the generally prosperous conditions prevailing in the steel manufacturing industries.

STEEL OF CANADA AT NEW HIGH

Steel of Canada common has this week moved up to a new high mark for all time. Conditions in the industry are generally satisfactory, with the automobile and farm implement manufacturers increasing their consumption to take care of the requirements of the market.

INTERNATIONAL CEMENT

International Cement Corporation for quarter ended June 30, 1926, reports net income of $1,058,786 after charges, depreciation and federal taxes, equivalent after preferred dividends to $1.77 a share earned on 500,000 shares of no par common stock. This compares with $746,171 or $1.15 a share in the preceding quarter and $1,110,603 or $2.62 a share on 400,000 shares outstanding in the second quarter of 1925.

Net income for first six months of 1926 was $1,804,957, equal to $2.92 a share on common stock, against $1,824,541 or $4.26 a share on common in first half of 1925.

WABASSO COTTON MADE OVER $5.00 SHARE ON STOCK

Earnings Showed Substantial Increase Over Previous Year

Operating profits of $313,437, compared with $285,749 in the previous year, made the best showing for the Wabasso Cotton Co. of any year since 1923. This represented earnings of over $5 per share on the 35,000 par value shares of capital stock after liberal charges. The net profits of $178,521, compared with $158,735 in the previous year, and $143,153 for the year ending 1924. After payment of dividends there was a surplus of $38,521. Other favorable features of the annual report, which will undoubtedly be appreciated by the shareholders, are a reduction in loans, lighter inventories, stronger cash position, and a well-maintained general working capital position. Following are comparative figures from the profit and loss account for the past three years:

Profit and Loss

Yr. end. June 30—	1926	1925	1924
Oper. profits	$313,437	$285,749	$265,193
Int. on invest.	82,177	90,318	96,644
Total income	$395,615	$376,067	$361,838
Depreciation	100,000	100,000	100,000
Bond interest	98,629	100,092	103,685
Sinking fund	18,465	17,240	15,000
Net profit	$178,521	$158,735	$143,153
Dividends	140,000	140,000	140,000
Surplus	$ 38,521	$ 18,735	$ 3,153
Prev. surplus	634,998	616,263	613,110
	$673,519	$634,998	$616,263

Working Capital

	1926	1925	1924
Curr. assets	$1,557,094	$1,420,114	$1,197,431
Curr. liabs.	989,782	841,751	749,788
Work. cap.	$ 567,312	$ 578,363	$ 447,648

The following record shows the company's earnings record since 1918, and the market record of the past three years:

Nine Years' Record

Year	Earn.	Div.	Surp.
1918	$515,868	$ 43,750	$580,347
1919	477,551	100,625	603,263
1920	489,425	140,000	299,279
1921	435,913	140,000	442,381
1922	396,014	140,000	546,156
1923	416,877	140,000	613,111
1924	361,837	140,000	616,163
1925	376,067	140,000	634,998
1926	395,615	140,000	673,519

Market Record—

	1924		1925		1926	
	H	L	H	L	H	L
Com.	72	47	66½	55	68	60
Bonds	96⅛	90	99	92	100½	99

The company remains in a comfortable working capital position, current assets exceeding current liabilities by $567,312, as against $578,363 in 1924-25, which was shown at $112,150; Victory bonds and call loans, $294,654; accounts and bills receivable, $659,450, and inventories, $490,840.

Among the current liabilities, the most notable change is in accounts payable which are shown at $582,563, as compared with $276,227.

Bank loans are down to $150,000 from $275,000. The property account is somewhat higher at $3,175,012. Total assets are shown at $6,988,926, as compared with $6,712,473.

DURANT OF CANADA MAKES FIRST EXPORT

Improvement in Domestic Business—Operations Now on Profitable Basis

A new era has set in for the Canadian Durant Co. with the shipment this week of 24 cars to Australia. Further, General Manager Kirby, who has returned from New York where he attended the annual directors' meeting, announces that the Canadian factory will export 600 cars in September. It is now estimated that the 1927 sales year will show an export business of close to 6,000 cars, while domestic business is estimated at 10,000 cars. Officials believe that the Canadian factory can operate with a substantial profit on 10,000 car production basis.

Great satisfaction was expressed at the annual meeting in New York over the splendid showing of the Canadian company, Mr. Kirby reports. The company at the moment has a cash balance of over $900,000, and current assets are over a million in excess of current liabilities. It also has a plant worth over $1,750,000 upon which there is no encumbrance. Well over 50 per cent. of the major units that go into the manufacture of the Canadian Star car are made in Canada. Furthermore part inventories having been greatly reduced wherever possible Canadian parts are to be further substituted.

The company will shortly announce a new improved series of 1927 model Star cars. These will appear in a variety of colors. Mr. Kirby on being questioned about the recent rise of the Durant Inc. of Delaware from 3¾ to 12½ per share stated that the value of the Canadian shares would go up proportionately. It is not yet definitely known how many Canadian shareholders took up the option which expired August 1.

HUDSON'S BAY ON N. Y. CURB

Hudson's Bay Company, 400,000 authorized shares, 5 per cent. cumulative preference stock, par value £5, and 2,000,000 authorized shares ordinary stock, par value £1, have been admitted to unlisted trading on the New York Curb Exchange.

COCKSHUTT PLOW ARREARS

In connection with recent buying of Cockshutt Plow preferred, it may be pointed out that, as of June last, this issue had arrears of dividends amounting to $53.50 per share. This fact, and the improvement in the agricultural implement industry, have no doubt contributed to the advance in the price level for this security.

MOUNT ROYAL HOTEL'S EARNINGS

MONTREAL. — Mount Royal Hotel earnings in June, after allowing for all bond interest and depreciation, amounted to over $70,000, as against $39,000 in June of last year. Bookings for August indicate it will be the biggest month of the year.

GOVERNMENT
MUNICIPAL
HYDRO-ELECTRIC
BONDS

NESBITT, THOMSON & COMPANY
LIMITED
ROYAL BANK BUILDING, TORONTO, 2
MONTREAL QUEBEC HAMILTON LONDON, ONT. WINNIPEG

Enlarged Paymaster Mill Will be Ready August 15

Gen. Manager Clement, of Premier Paymaster Mine, says the machinery will be in place and the mines enlarged and mill ready to turn over by August 15. The present mill is handling 150 tons daily and from the 15th on will be gradually increased until 400 tons will be reached in about a month. The latest increase is a part of a 1000 ton jump to be made and about a year hence it is the intention to be handling 1,200 tons daily.

GOODERHAM AND WORTS

Since the split in the shares of Gooderham and Worts, on the basis of ten for one, the price has gone as high as 33¾, but has later reacted to 30 and below. The split has undoubtedly had the effect of increasing public interest in the stock, which was selling around 250 when the plan was announced.

Silver is selling down fractionally below 63 cents per ounce in New York. This will cut into the earnings of the silver mines of northern Ontario and British Columbia.

THE SMALL INVESTOR
has equal opportunity with the investor of large means of obtaining a profitable return on his money by investing in our Accumulative Bonds. They were devised largely because there are so few high-grade securities available to those of moderate means.
The small sum of $78.12 will purchase an Accumulative Bond for $100 payable at the end of five years.
Our Bonds, along with our deposits, are secured by the Corporation's entire Assets, which amount to $48,281,493.32.
It is well worth your while to investigate the merits of these Accumulative Bonds. They are a particularly attractive medium for the investment of small amounts on which you are prepared to allow the interest to accumulate.
Canada Permanent Mortgage Corporation
14-18 Toronto Street Toronto 2
We have been providing safe investments for small sums since 1855.

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OLDER THAN CANADIAN DOLLAR
When the first Canadian dollar was issued January 1st, 1858, Mitchell Metalcraft was then seven years old. To-day it is known throughout the Dominion for its expert and artistic workmanship.
THE ROBERT MITCHELL CO., LIMITED
64 Belair Avenue, Montreal
Architectural Bronzes, Cashier's Cages, Artistic Metal Fittings, Frink Lighting Systems

New Issue
$150,000
Ravina Properties, Limited
First (closed) Mortgage 15-year 7% Sinking Fund Bonds
Dated May 1st, 1926 Due May 1st, 1941
CAPITALIZATION

	Authorized	To be Issued
7% First Mortgage Bonds (this issue)	$150,000	$150,000
	Authorized	Issued
7% First Preference Shares	$150,000	$65,400
Common Shares (no par value)	7,500	7,500

FEATURES
1. The first mortgage bond issue of Ravina Properties, Limited, represents less than 50% of the value of properties and buildings on the valuation set thereon.
2. The value of the land, exclusive of buildings and equipment, is placed by Mr. W. N. Lonsdale at $83,125 and represents over 55% of the entire issue.
3. Valuation of the new arena is based on the cost of the completed structure and not estimated.
4. Estimated annual earnings represent over four times annual interest requirements.
5. Equity behind Common Stock represents about $11.50 per share.
6. A very liberal sinking fund, which is estimated to retire approximately two-thirds of the issue by maturity.
We offer these bonds for delivery if, as and when issued and received by us, and subject to approval of our counsel of all proceedings, at
99.00 and accrued interest, to yield over 7.10%
Carrying bonus of 1 Share no par value Common Stock with every $200 worth of bonds purchased.
Fractional shares of no par value Common Stock will be adjusted at $5 per share.
Orders may be telephoned or telegraphed at our expense.
J. A. G. Clarke & Company
330 Bay Street - Toronto
Telephone: Adelaide 5184

DODGE BROTHERS GETTING LARGER SHARE OF STOCK

Proportion of Total Production Increased From 6.5% to 8.4%

While Dodge Brothers, Inc., is the third largest automobile manufacturer in the world, in number of cars produced and sold, during the first six months of this year its total production constituted 8.4 per cent. of total production in the United States and Canada, against 6.5 per cent. for the full year of 1925. Thus the company has improved its position in the industry this year, its gain in sales having been 49 per cent., compared to 12 per cent. for the industry as a whole.

Dodge this year has had a peak production of 1,650 cars daily for several months, involving day and night operations. Current production without night operations is at the rate of more than 1,200 cars a day, compared with the peak production of last year of 1,100 cars a day. With production of 207,115 cars and trucks in the first six months of this year, against 138,667 last year, current production at a high figure and sales running ahead of output, Dodge interests are in a strong position to head any consolidation that may be made.

The known aggressiveness of the banking interests behind the Dodge company has led to persistent rumors that it would form the nucleus of a large combination which would include the production of high priced eights and sixes, and a medium priced six as a complement to the Dodge four, says the Wall Street Journal. It is understood that the company has been approached with proposals from at least two well-known companies. The management took these proposals under advisement. While nothing has developed from them, it may indicate a disposition to consider such a project if deemed favorable.

Much Experimenting

The company is spending more on experimentation than ever before; in fact, the Dodge management is experimenting with cars of all types and the developing of machines which will enable it to expand its operations in new fields any time that may be deemed desirable.

The company is the largest producer of trucks having capacities of ¾ and 1½ tons, and the second largest producer of 1-ton trucks. The demand for the new type 1-ton truck recently introduced indicates that the company may soon lead in that capacity field. This is particularly significant, considering that 90 per cent. of all trucks are of these capacities.

The company also, within the past month, has introduced a new line of trucks and commercial vehicles of two-ton capacity.

Plant Additions

Last year, more than $10,000 000 was spent on plant expansion, which permitted an increase of production capacity of about 50 per cent., and consideration is now being given to further addition to plant, which will increase capacity to 2,000 cars a day.

The company is in a strong financial position, as disclosed by the statement for the first half of this year. It has cash and cash equivalents of more than $28,500,000 consisting of approximately $20,000,000 cash and $8,500,000 of United States and other readily marketable securities. It is believed that additional plant expansion, if any, will be more than covered by earnings for the remainder of the year, and leave the company's cash and current asset position stronger than ever at the close of the year.

Surplus has been increased $9,435,476 this year through earnings, making a total increase in surplus since May 1, 1925, of $84,258,943, of which $14,981,498 resulted from debenture conversions and $19,277,425 from earnings.

Dodge Bros. retail sales had a distinct upswing through July; and while deliveries have been running more than 9,000 a week, factory shipments have averaged 6,600 a week, with the result that inventories of cars in transit and in dealers' hands are low.

Production for August is being maintained at an average of 1,200 cars a day, although retail sales, which show no signs of diminishing, for the last week of July were nearly 1,500 a day.

ASBESTOS MERGER IS GIVEN CREDIT FOR HIGHER PRICES

Statement as to Effect of Competition of U.S. Independent

From Our Own Correspondent.

MONTREAL. — In regard to the working out of the asbestos merger in which Asbestos Corporation is the keystone, it has been suggested that the corporation has been experiencing severe competition from one of the American companies which owns its own mine in Canada. The following statement has been issued by a local investment house in support of the contention that the merger is attaining its purposes:

"In the first place, prices have advanced substantially in every grade, as reference to the following official schedule will indicate:

SCHEDULE OF PRICES

	Prior to Merger	Present Prices
No. 1 Crude	$400.00	$525.00
No. 2 Crude	225.00	300.00
"A" Fibre	145.00	190.00
"B" Fibre	110.00	165.00
"S" Fibre	50.00	70.00
"Z" Fibre	42.40	65.00
"C1" Fibre	40.00	50.00
"C" Fibre	35.00	45.00
"D" Fibre	20.00	30.00
"E" Fibre	15.00	25.00
Floats	8.00	15.00
"XXXX"	7.50	12.50

"Further reference to official statistics show that the company referred to shipped, in 1925, 42,066 tons, of which they used in their own mills 16,386 tons, and sold to the public 25,680 tons. In the first half of 1926 they shipped 23,912 tons, or at the rate of 47,824 tons per annum, but they consumed in the six months 11,793 tons, at a rate of 23,586 otns per annum, and sold 12,119 tons, at the rate of 24,238 tons per annum. In other words, they will have in 1926 1,442 tons per annum, and sold 12,119 tons, at sales in 1925, on account of their own increased consumption.

"These figures and the present prices of asbestos as compared with those prior to the merger, effectively disposes of the suggestion that the corporation is experiencing severe competition, or, in fact, any competition from the American company referred to. That company will probably be the first to disclaim the suggestion made regarding it.

"With reference to the possible competition from the Rhodesian mines, they produce only the first three grades in the above schedule, which constitute only 6.9 per cent. of total Canadian production. As it will be seen that the prices of these grades have advanced $125, $75 and $45 per ton respectively, it will be evident that there is not unreasonable competition from Rhodesia. As a matter of fact, there is a possibility of still further advances in these grades eventually."

Geological Report on Windermere Mineral Area

Dr. J. F. Walker's report on geology and mineral deposits of Windermere district, British Columbia, has been published by the Geological Survey. The area is underlain to a great extent by sedimentary formations of Precambrian age. Correlations are made between these formations and similar Precambrian sediments farther south described by Dr. S. J. Schofield and Dr. R. A. Daly. The age relationships of the Palaeozoic formations exposed in the eastern part of the area are also matters of careful consideration.

The most important mineral deposits are lead-silver and lead-silver-zinc deposits. They are of the fissure and bedvein type and are generally associated with minor flexures on the limbs of large folds. The leading properties are described. Copies of the report may be had on application to the director, Geological Survey, Ottawa.

High Dividend Rate Not Always Evidence of Sound Investment

THE company paying the highest lividend rate does not always offer the best investments. This applies to listed stocks as well as to the promotion propositions that continue to sell stock while dividends at the rate of 2 per cent. a month are being regularly paid.

Not so long ago, a big Canadian milling company stopped paying dividends on its common stock. It stopped not because its earnings were not averaging a good rate, taking any consecutive three or four years together, but chiefly because it started out a few years ago with such an ambitious common dividend rate that it weakened its cash position and finally had to stop entirely after successively cutting the dividend from 10 per cent. to 8 per cent.; from 8 to 6; and from 6 to 4 per cent.

If They Had Started Low

Now it is a safe bet that if this company had started off with 4 per cent and kept it up for a few years and then raised it to 5 per cent. and finally 6 per cent. it would still be paying dividends. People who bought the stock when it was paying the original high dividends got a big yield considering the price they paid, but this has been of no benefit to them because now they are getting no return at all.

Other stocks pay comparatively small dividends year in and year out, small when the market price and the annual earnings are considered, but these dividends are as certain as death and taxes and they are, for that reason, more to be preferred than the high but uncertain returns.

Investors are prone at times to get anxious and look for disbursements of dividends at something around the rate the company is actually earning. They somehow feel that if the company is earning the money and it is not being paid to them that they are being done out of what is their rightful return. But experience has proven that the companies that plough back a goodly proportion of their earnings usually maintain the longest and least broken dividend returns in good times and bad.

UNLISTED SECURITIES

	Bid	Asked
Brooks Motors	1½	..
Can. Machinery, com.	5	.
Can. Westinghouse, com.	168	..
Cosgrave Brewery	3	3¾
Dom. Power, pref.	97	99
Farmers Dairy, com.	45	..
Farmers Dairy, pref.	95	102
Dunlop Tire, pref.	76	80
B. Greening Wire, pref.	91	94
Copeland Flour, com.	2	4
Gunns, Ltd., pref	27	30
King Edward Hotel, Deb. A.	79	81
King Edward Hotel, Deb. B.	59	61
Loew's Buffalo, pref.	40	44
Loew's London, com.	2⅞	3⅝
Pure Food, com.	31½	34
Mount Royal Hotel, pref.	36	39
Willard's pref.	69	72
Capital Life 25% paid	21	25
Continental Life 20% Paid	35	..
Crown Life	122	..
Empire Life	22	..
Excelsior Life 29% Paid	57	..
Great West Life	440	..
Imperial Life	310	..
Monarch Life 10% Paid	24½	..
Mortgage Discount, pref.	6⅞	7¼
Ontario Equitable	..	25
Re-Insurance	..	25
Security Life, 40% Paid	28	32
Sherbrooke Trust	105	..
Sovereign Life, 25% Paid	27	29
Toronto Finance, pref.	3½	4½

Sell Stock to Build Hostel at Old Fort Ste. Marie Site

To construct a hotel at the shrine, Old Fort Ste. Marie, near Midland, Ont., a group of Catholic laymen have formed the Martyrs' Hill Hostel Association and are offering stock to raise funds.

The association is capitalized at 1,000 shares of $100 par value and these shares are being offered at par. One-quarter of the stock has been paid to the vendors for the site.

Directors are J. T. Mulcahy, Orillia; W. H. McGuire, Toronto; R. A. Jeffery, Arnprior; T. B. Winterberry, Toronto; F. R. Kennedy, Windsor, and Daniel R. O'Gorman, Toronto.

Stock Market Record

WEEK ENDING AUGUST 10

	Div. Rate	Yield Aug. 9	High for wk.	Low for wk.	Close Aug. 10	Close Aug. 3	Sales for wk.	Range, 1926 High	Low
Banks—									
Commerce	12+1	5.77	225	224	224½	224	82	226	214
Dominion	12+1	6.18	210	210	210	211	5	219	209½
Can. Nationale	10	6.34	160	157½	157½	158	20	170	157
Imperial	12+1	6.37	205	203	203	205	82	215½	200
Montreal	12+2	5.18	270	267	269	267	80	272	251½
Nova Scotia	16	5.46	295	293	293	293	61	300	281
Royal	12+2	5.57	252	249	249	251	82	255⅛	248
Standard	12	6.28	191½	191	191½	191	38	200	190
Toronto	12	5.50	218½	218½	218½	219½	15	222	213
Paper—									
Abitibi, com. (no par)	4	4.87	82	78½	80½	81½	3855	85½	70¼
Do. pref.	7	6.42	..	...	...	...	...	116	106¾
Belgo-Can. pref.	7	7.07	99½	98½	99½	99¼	122	101	95¾
Brompton (no par)	.	...	34¼	30¼	33¾	31⅞	7074	35¼	26
Laurentide	6	6.66	90⅞	88½	90⅛	89¼	1948	93½	81½
Price Bros., com.	2	2.84	71	70	70¼	70	385	74½	57
Do. pref.	6½	6.53	100	99½	99½	100	236	100	95
Prov. Paper, com.	6+1	6.73	..	...	...	...	...	105	100
Do. pref.	7	6.78	..	...	...	...	...	104½	100
Smith, Howard, com.	.	...	52	50½	52	50	375	54½	38
Do. pref.	8	8.16	98	98	98	98	105	101	92¾
Span. River, com.	7	6.82	102½	101½	102½	102¾	865	103	96½
Do. pref.	7	6.19	112	112	112	114	25	119	108
Wayagamack	.	...	78	75	78	74	715	83	56
Steel and Steel Industries—									
B. E. Steel, com.	.	...	½	½	½	½	40	3½	¼
Do. 1st pref.	.	...	10⅛	9½	9½	9¾	160	30	9
Do. 2nd pref.	.	...	2	1¼	1¼	2	175	10¾	1¼
Can. Car & Found., com.	.	...	..	...	...	...	...	49	33
Do. pref.	7	8.58	82	81½	82	81½	80	85¾	73
Can. Fairbanks, pref.	.	...	..	...	...	...	...	60	60
C. G. E., com. (par $50)	.	...	..	...	...	...	...	51	47
Do. pref. (par $50)	7	6.25	56	55	56	55	22	60	48
Can. Locomotive, com.	.	...	..	...	...	...	...	42	35
Do. pref.	7	8.75	..	...	...	...	...	89½	73
Canada Iron, com.	.	...	..	...	...	...	...	10	9
Do. pref.	.	...	..	...	...	...	...	42	39
Can. Forgings, pref.	.	...	50	50	50	47	25	50	41½
Dominion Coal	.	...	51	50¾	51	50	30	52	40
Dominion Iron, pref.	.	...	..	...	...	...	...	24¾	5
Dominion Bridge	4	3.96	101	100	101	100	155	102½	86
Dom. Radiator, pref.	7	6.93	..	...	...	...	...	108½	100¼
Dom. Steel Corp., pref.	.	...	..	...	...	...	...	25	10⅝
Ford Motor	.	...	..	...	...	...	...	622	500
McKim. Ind. c. (no par)	.	...	..	...	...	...	...	26½	15
Do. pref.	7	8.04	..	...	...	...	...	92	87
Massey-Harris, com.	.	...	62½	61	61½	61½	371	63½	40
Do. pref.	7	7.36	96¼	95	95	96½	190	97	93
N.S. Steel, pref.	.	...	..	...	...	...	...	25	25
Ontario Steel, com.	4+1	6.57	76	74	76	75	325	76	60
Do. pref.	7	7.00	..	...	...	...	...	102	98
Russell Motor, com.	3	7.50	..	...	...	...	...	42	39
Do. pref.	7	7.77	..	...	...	...	...	90	76
Sawyer-Massey, pref.	.	...	..	...	...	...	...	13	5
Steel of Canada, com.	7	6.51	108	105	107½	104½	833	108	95⅛
Do. pref.	7	5.73	122½	120	122	123	269	123	114
Milling and Foodstuffs—									
Arnolds, com. (no par)	.	...	21½	21	21	21¾	120	26⅝	18
Do. pref.	7	7.77	90¼	90	90	90	8	92	89½
Atlantic Sugar, com.	.	...	25	24	24¼	25½	415	33⅞	21½
Do. pref.	.	...	..	...	...	...	...	88	75
B.C. Fishing	5	6.51	77¼	75¼	76	77	1115	78	57¼
Can. Bread, com. (no par)	.	...	81	79	80	80	300	81	53
Do. pref. (A)	7	6.36	110	109¾	110	108	91	110	105
Do. pref. (B)	7	7.00	100	99	100	99	218	100	96¼
Can. Canners, com.	.	...	13½	12⅝	13	13	188	15	12
Do. pref.	4	6.13	65½	65	65	65	665	67¾	60
Canadian Salt	8	6.40	..	...	...	...	...	145	124
Christie Bis. c. (no par)	30c	...	..	...	...	...	...	63½	44¼
Can. Bak. c. (no par)	.	...	36	35	36	35	59	37¾	26½
Do. pref.	7	7.42	94¼	93	93	94	9	98½	92⅛
City Dairy, com. (par $25)	12	4.00	75	73¾	74¼	74½	52	81	67
Do. pref.	7	6.30	111	111	111	109	20	112	107
Cuban Can. Sug., com.	.	...	3	3	3	3	100	5	3
Do. pref.	.	...	..	...	...	...	...	28	21½
Dom. St., c. (no par)	60c	...	64⅞	63½	63½	64⅞	50	68	56
Do. pref.	.	...	..	...	...	...	...	116	106
Wm. Davies (A) (no par)	.	...	31¾	30¾	30 ¾	32	320	37½	29
Inter. Milling, pref.	7	7.05	99½	99¾	99½	99¾	50	105¼	99
Lake of Woods, com.	12	8.00	150	150	150	150	3	175	139
Do. pref.	7	5.98	117	116½	116½	116	10	118	115
Loblaw, com.	.	...	30	29⅞	30	30	120	30	29¾
Do. pref.	.	...	102	101½	101½	100½	11	102	100½
Maple Leaf Mill., com.	.	...	62	60¾	60¾	61	165	88	50⅛
Do. pref.	7	7.77	92½	90	92½	95	27	102	90
Ogilvie Flour, com.	5	2.77	..	...	...	...	...	200	165½
Do. pref.	7	5.98	117	117	117	117	12	125	117
Pure Gold Mfg. (no par)	50c	...	21	19½	19½	19½	50	23½	17½
Sh. Wh., new, c. (no par)	75c	6.00	51	50¾	50¾	50¾	40	51¼	47½
St. Law. Flour, com.	.	...	..	...	...	...	...	45	28
Do. pref.	7	8.53	..	...	...	...	...	84	82
Viau Biscuits, com.	.	...	..	...	...	...	...	28	18
Do. pref.	7	7.86	89	87	88	89	185	89	85
West. Groc., c. (new)	.	...	24½	24½	24½	25	5	27	24
Do. pref. (new)	7	10.00	..	...	...	...	...	70	62
Do. com. (old)	.	...	..	...	...	...	...	14¼	4
Do. pref. (old)	.	...	..	...	...	...	...	64	49
Utilities—									
Bell Telephone	8	5.79	139	137½	137½	138	311	141	136
Consumers Gas	10	5.69	175½	174	175	173½	146	183⅞	170
Inter. Util. (A) (no par)	87¼	...	..	...	...	...	...	38½	31¼
Con. Gas rights	.	...	..	...	...	...	...	4.85	3.90
Cedar Rapids	3	...	..	...	...	...	...	50	40
East Koot. Power	.	...	..	...	...	...	...	32	25
Jamaica Pub. Ser., pref.	7	7.14	98	98	98	97	13	99¼	96½
Laurentide Power	5	4.58	109	109	109	109	40	110	100
Mackay, com.	7	5.18	135½	135	135½	135	77	136¼	105
Do. pref.	4	5.47	73	69½	72	72	107	73½	68¾
Mexican Light, com.	.	...	..	...	...	...	...	31⅞	29
Do. pref.	.	...	..	...	...	...	...	86	64
Mont. L. H. & Pr. Cons.	8	3.60	227½	220	227	220	7178	230	209
Montreal Teleg. (par $40)	8	6.66	..	...	...	...	...	51½	48
Ottawa L. H. & Pr., com.	6	6.21	96½	96¼	96½	96	53	100	92
Do. pref.	6½	6.42	101½	101	101½	101¼	27	105¼	100
Quebec Power, com.	5	3.96	127	126	127	126¼	243	130¼	113
Do. pref.	7	6.22	..	...	...	...	...	116	109½
Shawinigan	8	3.93	212	203⅜	210	203	2482	212	167½
South. Can. Pr., com.	2.00	2.19	91½	90	91½	83	729	92	81
Do. pref.	6	6.00	101	100	100	100	33	104½	100
Do. rights	.	...	..	...	...	...	...	2	¾
Ottawa & Hull Pr., com.	.	...	..	...	...	...	...	46	25
Transportation—									
Can. Pacific Rly.	10	6.06	165	164	164½	164⅜	93	166½	147
Can. Steamships, com.	.	...	19	16	19	17⅞	705	20	11
Do. pref.	.	...	76½	71	75	71	1734	76½	56
Do. voting	.	...	18	17½	18	18	310	19	11
Tractions—									
Barcelona (par $50)	.	...	36	31¾	36	31½	550	36¼	26
Brazilian, com.	5	4.49	111¼	101	108¼	101	112686	111¼	80
Do. pref.	6	5.81	..	...	...	...	...	103¼	97½
Detroit Un. Rly.	.	...	..	...	...	...	...	3½	1¾
Duluth-Superior	.	...	..	...	...	...	...	33¼	25
Illinois Traction, pref	6	...	..	...	...	...	...	96¼	96¼
Montreal Trams	10	5.79	171	171	171	172½	25	178	159
Ottawa Traction	4+1	7.93	..	...	...	...	...	65⅞	60
Porto Rico Rlys., com.	.	...	..	...	...	...	...	47	40
Do. pref.	7	7.95	..	...	...	...	...	91	85½
Twin City, com.	5	7.14	71	70	70½	71	749	79½	68¼
Do. pref.	7	6.79	..	...	...	...	...	103	102¼
Winnipeg Elec., com.	1	...	50	48½	49	49½	800	54⅞	45¼
Do. pref.	7	7.10	98½	98	98½	98½	21	100½	95
Textiles—									
Can. Conn. Cotton, pref.	4	...	44	40½	40½	37	180	49	37
Can. Converters	7	7.69	91	91	91	91	5	94	90
Can. Cotton, com.	8	6.66	..	...	...	...	...	124	113
Do. pref.	6	6.41	..	...	...	...	...	99½	93½
Can. Woollens, com.	.	...	8	8	8	6	9	8	4
Do. pref.	.	...	..	...	...	...	...	50	45
Dom. Textile, com.	5	5.37	93½	93	93½	93½	246	99⅛	89
Do. pref.	7	5.93	119	118	118	119	6	122	115
Monarch Knitting, pref.	.	...	..	...	...	...	...	50	45
Montreal Cottons, com.	6	5.45	..	...	...	...	...	111	102
Do. pref.	7	6.06	115½	115½	115½	115	1	115½	110
Penmans, com.	8	4.37	183	183	183	186	10	190	173
Do. pref.	6	5.85	..	...	...	...	...	104½	101½
Wabasso Cotton	4	5.88	68	68	68	68	75	68	60
General Industrials—									
Amer. Sales, c. (par $20)	4	6.15	..	...	...	...	...	70	54
Do. pref.	7	7.48	94	93½	93½	94	70	98	92
Asbestos Corp., com.	6	...	..	...	...	...	...	110	89
Do. pref.	6	...	..	...	...	...	...	128	109
Do. com. (new)	.	...	18	16½	18	16⅞	1092	24½	16½
Do. pref. (new)	7	9.75	71¾	67	70⅞	66½	1949	79¾	62
Building Prod., pref.	7	8.43	83	83	83	84⅞	28	87	83
Brant. Cord. pf. (par $25)	8	8.00	25¼	24⅞	25	25	170	27½	24⅞
Burt, F. N., com. (par $25)	12	5.50	55	54½	55	55	95	67½	50
Canada Cement, com.	6	5.68	105½	105	105	106	318	111½	98
Do. pref.	7	6.14	114	113¾	114	113½	7	120	113
Cons. Rubber, pref.	7	8.00	..	...	...	...	...	87½	86½
Can. Ind. Alc. (no par)	1.28	6.73	19¼	18¾	19	19	1965	20	16¼
Crow's Nest Coal	6	8.92	67½	65⅜	65⅜	65	400	85	51
Dom. Glass, com.	7	7.58	92¼	92	92	91	275	105	85
Do. pref.	7	6.60	..	...	...	...	...	111	105½
East. Theat. c. (par $25)	.	...	26	25¼	25¼	25½	51	26	18¾
Do. pref.	7	7.75	90¼	90¼	90¼	90	20	90¼	83
Famous Players, com.	.	...	15	15	15	15½	5	18½	11
Do. pref.	8	8.88	90	88	90	90	52	94¼	88
Gilman, com.	6	4.80	125	124½	125	125	50	126	104½
Do. pref.	7	5.44	128½	128½	128½	128	5	128½	113½
Goodyear Tire, pref.	7	7.36	96	95	96	96½	85	97	85
Holt Renfrew, pref.	7	8.14	..	...	...	...	...	90	85½
King Ed. Hotel	.	...	..	...	...	...	...	41	25
Kelvinator, com. (no par)	.	...	17	16	16¼	17	355	20¼	15
Do. pref.	7	7.95	91	88	88	91½	20	93⅞	88
Lyall Construction	.	...	40	40	40	40	35	48	20
Nat. Brew, c. (par $25)	4	6.34	64⅝	62	64	63	4562	69	56
Do. pref.	7	6.54	..	...	...	...	...	110	106
National Brick, com.	.	...	..	...	...	...	...	12½	8
Do. pref.	7	11.47	..	...	...	...	...	72	60
Pacific Burt, com.	6	6.38	94	94	94	94	15	110	90
Do. pref.	7	6.60	106	106	106	...	5	110	102
Port Hope Sani., com.	3	3.40	..	...	...	...	...	88	74½
Do. pref.	7	6.86	..	...	...	...	...	105	99
Rogers, Wm., com.	.	...	..	...	...	...	...	67	45
Do. pref.	7	7.56	92½	92	92	92½	90	97	90
Sherwin-Williams, com.	6	4.36	138	137	138	136½	110	138	125
Do. pref.	7	6.08	..	...	...	...	...	115	110½
Sterling Coal	4	10.12	..	...	...	...	...	43	37
Tooke Bros., com.	.	...	..	...	...	...	...	8	8
Do. pref.	.	...	58	58	58	57	30	60	55
Tuckett Tobacco, com.	4	6.89	58	58	58	62	55	65	58
Do. pref.	7	6.66	..	...	...	...	...	105	100
Woods Mfg., com.	.	...	47	47	47	47	193	48	38
Do. pref.	7	7.95	88	86½	88	86¾	130	90	77¾
Standard Chem., pref.	.	...	9	9	9	9	525	9	9
Trust and Loan—									
Central Canada	12	...	..	...	...	...	...	210	210
Can. Landed (par $50)	10+1	6.07	90½	90½	90½	91	3	100	90
Can. Permanent	12	5.63	213	212	213	205½	16	208½	202½
Colonial Invest.	6	...	..	...	...	...	...	7	4
Hamilton Prov.	10	6.36	..	...	...	...	...	157	157
Huron & Erie	7+½	5.63	..	...	...	...	...	133	127½
Landed Banking	9	6.00	..	...	...	...	...	50	50
Montreal Loan (par $50)	12+1	6.50	..	...	...	...	...	50	50
National Trust	12	5.06	..	...	...	...	...	245	232½
Ont. Loan (par $50)	11	5.28	..	...	...	...	...	106	103½
Real Estate Loan	7	8.23	..	...	...	...	...	85	85
Toronto Gen. Trusts	12	5.45	..	...	...	...	...	225	220
Toronto Mtge. (par $50)	10+1	5.61	..	...	...	...	...	100	93½
Union Trust	7	7.07	99	99	99	98	15	101	98

THE CURB MARKET

	Div. Rate	Yield Aug. 9	High for wk.	Low for wk.	Close Aug. 10	Close Aug. 3	Sales for wk.	Range, 1926 High	Low
Andes Pete	.	...	..	...	...	...	...	6⅝	6⅝
Attendu Eng.	.	...	35	31½	32	31	891	43¼	7
Beacon Oil	.	...	18¾	18	18¼	18¼	360	19½	14¼
Belding, pref.	7	...	..	...	...	...	...	101	75
Brit. Am. Oil (par $25)	10	4.71	53⅛	52½	53⅛	53	717	54	47
Can. Nor. Pv., com.	.	...	..	...	...	...	...	30	28
Can. Oil, com.	1¼	...	80	80	80	73½	25	80	65
Do. pref.	8	7.30	..	...	...	...	...	109½	100
Cockshutt, pref.	.	...	69	67½	68¾	67½	498	69	57¼
Continental Oil	25c	1.25	21¼	21¼	21¼	21	25	26	20
Do. Eng.	.	...	85	80	80	85	32	85	65
Dryden Power (no par)	.	...	8½	8	8	8¾	235	11	5½
East Engineering	.	...	..	...	...	...	...	2½	1
Eng. Elec. c. (no par)	.	...	..	...	...	...	...	24½	15
Do. pref.	.	...	..	...	...	...	...	72	59½
Good. & Worts	6	2.05	300⅛	257	292	257	526	300⅛	193
Illinois Power, pref.	7	7.10	..	...	...	...	...	99½	96
Imperial Oil	1.00	2.77	36¾	35⅞	36	36	2661	38½	32½
Inter. Petroleum	75c	2.14	35½	33½	33¾	35	5620	35½	29¼
Manitoba Power	.	...	41½	41½	41½	41	50	43	24
Newsprint Co.	.	...	..	...	...	...	...	27	18
No. Star Oil, c. (par $5)	.	...	1.15	115	115	125	40	125	75
Do. pref.	7	...	4.80	480	480	480	200	490	450
Nor. Mex. Pr., com.	.	...	44¼	43	45	40	300	55	40
N. S. Car	.	...	..	...	...	...	...	12½	7½
Page Hersey, com. (new)	.	...	48½	47¾	47¾	48⅞	187	49	43
Do. pref. (new)	.	...	102¾	101¾	102	103	164	104	100½
Paton Mfg., com.	.	...	..	...	...	...	...	55	50
Do. pref.	.	...	..	...	...	...	...	98	75
Power Corp. (no par)	.	...	..	...	...	...	...	28¼	22
Pressed Metals	.	...	39½	39½	39½	39	10	40	30
St. Law Pr. (no par)	.	...	41	37	41	37	195	46½	35
St. Maurice Pr.	.	...	73	72½	72½	75	24	82	72½
St. Maurice Valley	.	...	45	45	45	45	128	53½	40
St. Maurice V.	.	...	..	...	...	...	...	35½	35½
Toronto R.	.	...	..	...	...	...	...	160	110
Un. Secs., com.	.	...	50	50	50	50	10	65	50
Do. pref.	6	5.88	..	...	...	...	...	105	102
Volcanic Oil (par $25)	62c	...	28⅝	28	28⅝	27	325	29	26
Good. & Worts (new)	.	...	33¾	27½	29	...	15205	33¾	27½
Simpsons, pref.	6	6.00	100	100	100	100	5	102	99

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Enquiries invited.

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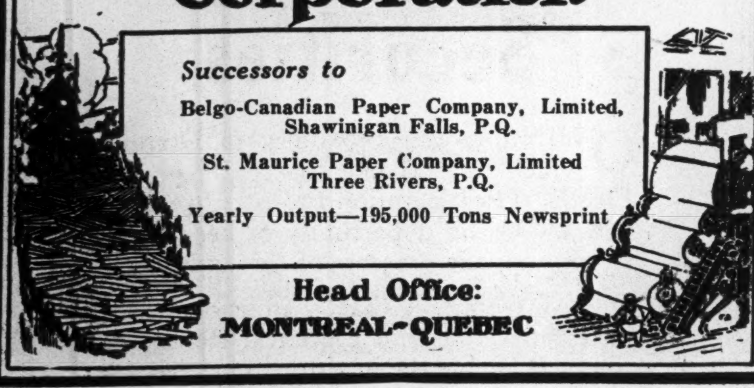
St. Maurice Valley Corporation



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BROMPTON PLANS NEW FINANCING TO PROVIDE FOR MILL

New Bond Issue Will Also Retire Two Issues Now Outstanding

New financing to take care of the new newsprint mill of the Brompton Pulp & Paper Co., at Bromptonville, will be considered at a meeting of the shareholders called for August 26th. The directors will ask authority to issue bonds to the value of $5,000,000 of which the sale of $4,183,000 has been arranged and the proceeds will be applied to the outstanding 6 per cent. general mortgage bonds and the 8 per cent. convertible mortgage bonds as well as for the financing of the new mill. It is expected that this new issue will bear interest at 6 per cent. Authorization will be asked for the further issuance of $5,000,000 of bonds but only with the consent of the preferred stock holders.

The general mortgage bonds amount to $1,000,000 of which $211,100 has been redeemed at the end of 1925. The issue was made in 1919 for 20 years with interest at 6 per cent., redeemable after 1921 at 105 and interest. These bonds were secured by mortgage on the property of the company subject to $853,500 of bonds presently outstanding and further by the hypothecation of all the shares of the Claremont Paper Co., and the Groveton Paper Co., owned by the company. These bonds were offered to shareholders at 80 and interest.

Of the authorized $3,000,000 of 8 per cent. convertible bonds $1,837,000 were issued and $282,300 had been redeemed to the end of 1925. Dated May, 1921, for 20 years; may be called in whole or in part on 90 days' notice at 110 to May, 1931. Secured by a direct mortgage and change on all fixed assets and properties of the company and securities owned including the common stock of the Groveton company and the Claremont company, subject to $1,642,000 underlying bonds. Offered in May, 1921, at 99 and interest.

The company has outstanding preferred shares to the value of $2,000,000, 7 per cent. cumulative, and 140,000 of no par common shares. Assets at the end of 1925 totalled $23,987,421. Earnings in 1925 were $1,802,164 while bond interest amounted to $303,134 and the balance sheet showed total reserves of $4,424,774.

The plans for new financing are outlined to the shareholders by President F. N. McCrea as follows:

"A special general meeting of shareholders has been called for August 20, for the purpose of considering, and if deemed advisable, of agreeing to the amendment of the Supplementary Letters Patent of the company dated 9th May, 1921, so as to permit the issue of bonds to an aggregate principal amount of ten million dollars ($10,000,000) and of passing or sanctioning such resolutions or by-laws as may be necessary.

"Of these bonds not exceeding five million dollars ($5,000,000) may be issued from time to time as the directors may determine and the remaining five million dollars ($5,000,000) can be issued, subject to the restrictions of the trust deed, but only at such time as the holders of the 8 per cent. cumulative preferred shares of the company shall have agreed thereto in the manner provided in Section 112A of the Companies Act.

"Your directors have arranged for the sale of four million, one hundred and eighty-three thousand dollars ($4,183,000) par value of the first five million dollars ($5,000,000) of bonds on advantageous terms and it is intended that the proceeds will be applied to the redemption of the outstanding 6 per cent. general mortgage bonds and the 8 per cent. convertible mortgage bonds of your company and in payment of the newsprint mill now under construction in Bromptonville.

"Your directors are pleased to advise you that the work at Bromptonville is making satisfactory progress and it is hoped that actual production of newsprint will be commenced during the early months of 1927.

"In order that the resolution authorizing the amendment of the Supplementary Letters Patent of the company in the manner specified in the enclosed notice and the by-law authorizing the creation and issue of the said bonds may be passed and sanctioned by the requisite majority you are respectfully requested to sign and return the enclosed proxy if you will be unable to attend the meeting personally."

New Maritime Mill to Buy in the Open Market

HALIFAX.—Surveys of four different sites for a pulp and paper mill in Nova Scotia have been made by representatives of the Scott Paper Co., of Chester, Pa., owners of the Caledonia Pulp Mills, which were recently burned at Caledonia, Queens County, according to statement made by A. W. Broughton, manager to the former Caledonia Mills, and representative in the province of the Scott Paper Co. The sites surveyed are at Liverpool, Hantsport, New Glasgow and Windsor. Mr. Broughton said definitely that the mills would not be rebuilt at Caledonia.

The plans of the company now are to build a combined pulp and paper plant, the latter to consume about one third of the pulp which the plant will produce. Mr. Broughton said they had official information that behind each of the sites they had looked over there was all the pulp they would require, which will be about 15,000 cords a year. They expect to buy in the open market, and in explanation of this, Mr. Broughton said that it was a growing opinion on the part of paper manufacturers that there was not as much advantage in having large holdings of their own as had formerly been the idea, for the reason that large holdings had to bear a heavy burden of taxation, and heavy overhead expenses in fire protection and other phases. In fact, Mr. Broughton said, he felt that the greatest benefit to the province, as well as for themselves, was for such concerns as the one he represented to buy in the open market, as it provided a very distinct advantage to the farmer in the vicinity of the mills, who might be owner of pulp wood.

B.C. Pulp Finding Good Export Market in Japan

MONTREAL.—Reports from British Columbia Pulp and Paper Mills indicate that the good showing made by the company in the early part of the present year is being continued. Two of the three mills are operating to capacity, but there is no likelihood, at present at least, of the third mill, at Swanson Bay, being brought into production. It is understood that the company is more than earning interest on its two bond issues.

Export figures show that Japan for the fiscal year ended March 31, 1926, took 309,438 cwt. of Canadian bleached sulphite pulp and 518,362 cwt. of unbleached sulphite. Japan for a number of years past has ranked as the largest individual customer of this company. The fiscal year's figures are both slightly below those of last year, but recently a considerable gain in exports has been recorded, April showing 60,472 cwt. of bleached against 25,302 one year ago, and 20,000 cwt. of unbleached sulphate against an absence of shipments entirely.

International Paper as an Opportunity for Canadians

The International Paper Company has confidence in New Brunswick, and faith in the success of the industries which will be based on the development now begun, declared A. R. Graustein, president of the International Paper Co., at Grand Falls, N. B., at the commencement of the development on the St. John River.

It was the first public address which the president of International Paper has made in Canada since he took over direction of the largest paper company in the world, and which has lately commenced a most extensive expansion programme in Canada.

Referring to the development of Grand Falls, Mr. Graustein drew attention to the fact that the project which is now being undertaken required the cooperation of the International Paper Company, the province of New Brunswick, the province of Quebec, the Dominion of Canada, and the state of Maine. In this connection he pointed out that the International Company, which is now entering the field of New Brunswick, has been heretofore practically a United States corporation, but now, with its activities in Ontario and Quebec, and also in New Brunswick, it appeals to investors in Canada as being sound, and, he declared, those Canadian investors will have a share in the management of its Canadian industries.

Assets and Undertakings of Mattagami for Sale

Official notice has been published advertising a judicial sale of the assets and undertakings of the Mattagami Pulp and Paper Co., to take place October 11. The property includes a site of 1,329 acres at Smooth Rock Falls, Ontario, with a sulphite pulp mill, producing 190 tons daily; a bleaching plant, with an output of 75 tons daily; a 9,000 horsepower hydro-electric development; a hotel, 94 houses, three miles of railway, water mains, sewage system, etc. There are also some 125 square miles of timber limits, and leases of water powers, and an agreement authorizing the cutting of pulpwood on 848 square miles of crown land. In the event of no higher bid being obtained, the debenture holders will acquire the company; they, in turn, will pay off the old bondholders with accrued interest to date.

United Paperboard Shows Higher Earnings for Year

MONTREAL.—Report of United Paperboard Co. for year ended May 29, 1926, shows net income of $292,528 after taxes, depreciation, etc., equivalent after preferred dividends to $1.78 a share earned on $12,000,000 common stock. This compares with $241,835, or $1.35 a share, in the previous year.

Income account for year ended May 29, 1926, compares as follows:

	1926	1925	1924
Mill, earnings .	$923,606	$794,476	$705,768
Tax. and ins. ..	155,771	....	147,397
Admin. exp. ...	131,324	252,641	134,951
Profit	$636,511	$541 835	$423,420
Deprec.	300,000	300 000	300,000
Fed. tax. res. ..	43,983	......	......
Net inc.	$292,528	$241,823	$123,420
Pfd. divs.	78,972	79,476	79,476
Com. divs.	119,920	59,955	......
Surplus	$ 93,636	$102,404	$ 43,944

TO SELL RAYON PULP IN JAPAN

MONTREAL.—F. G. Robinson, of the Riordon Sales Corporation (now a subsidiary of International Paper) is sailing for Japan with a view of extending the market for the Riordon high-grade pulp products in that country. It is believed by many Canadian pulp men that there is a great market capable of being developed for rayon pulp in that country, which has always been a very large consumer of silk goods, and is in a position to manufacture artificial silk articles for distribution not only in Japan itself, but also over a large area of the Orient.

DODGE PREFERRED

The National City Company evidently thinks well of Dodge Brothers 7 per cent. preferred stock, and advises its purchase to yield 7.91 per cent. National City Company says earnings are running at a high rate and the investment position of the preferred has been greatly strengthened through earnings transferred to surplus and the conversion of debentures. It is estimated that since May 1, 1925, $34,000,000 in equities have been accumulated hehind the issue.

NEW C. N. R. HOTEL FOR VANCOUVER

OTTAWA.—Arragements have been completed by the Canadian National Railways for the erection of a 500-room hotel in Vancouver, B. C., and the contract has been approved by the government, it was announced in a statement issued here recently. Under agreement, the Canadian Northern was obligated to the erection of an hotel in Vancouver, but, besides this, had to carry out other construction work, which would have meant the expenditure of at least $8,000,000.

Wabasso Cottons are Canada's best

Cambrics, Voiles, Shirtings, Sheetings, Broadcloths and other fine white cottons; a complete range of fine Coloured Cottons; Yarns, Corset Fabrics, etc., Wacosilke, an exclusive, new fabric, made from finest Wabasso combed yarns and Celanese Brand yarns combined.

The Wabasso Trade Mark is a guarantee of highest quality cotton fabrics; none finer, anywhere.

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ALL LINES OF WHITE AND GREY COTTONS, PRINTS, SHEETINGS, SHIRTINGS, PILLOW COTTONS, LONG CLOTHS, CAMBRICS, DUCKS, BAGS, TWILLS, DRILLS, QUILTS, BUREAU COVERS, TOWELS AND TOWELLING, YARNS, BLANKETS, RUGS, TWINES, NARROW FABRICS

AND NUMEROUS OTHER LINES USED BY MANUFACTURERS IN RUBBER AND OTHER TRADES.

MONTREAL TORONTO WINNIPEG VANCOUVER

LAKE OF THE WOODS MILLING CO. LTD.
Makers of FIVE ROSES FLOUR

Mills at Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat

CAPACITY, 20,000 BARRELS DAILY.

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FACTORIES AT
MONTREAL, TORONTO, OTTAWA
WINNIPEG, WELLAND

HEAD OFFICE: MONTREAL

MONARCH BATTERIES

Monarch Battery Co., of Kingston, reports splendid progress. For the first seven months of this year 25 per cent. net increase in sales to date is reported. The outlook for the company appears very hopeful. The company has on hand a good supply of lead which will take care of needs for some time; in view of the soaring prices of lead this is important. Re-organization of sales force and sales policy are under way.

Food Products

LOBLAW'S PROFIT 2.8 PER CENT. OVER DOMINION STORES

Both Obtaining Higher Ratio of Net Profits to Total Sales

Shareholders in Loblaw Groceterias Ltd., and Dominion Stores will be interested in a comparison of the annual statements of these two largest chain grocery store organizations in Canada for their last fiscal years, made by Canadian Grocer. The object is to study the relative earning capacity of the two systems, and the findings of Canadian Grocer follow:

The ratio of net profit to sales in Loblaw stores is 5.1 per cent., compared with 2.31 per cent. in the Dominion Stores. In other words, if Loblaw had had the total sales volume of Dominion Stores in their last year, his net profit would, on this basis, have been $643,445, compared with the $291,849 net profit made under the Dominion Stores system. There is a difference of 2.8 per cent. in the ratio of net profit to total sales between the two chains, this representing to some extent the cost of the service given in Dominion Stores which is not given in Loblaw stores.

Net profits in the Loblaw business have increased 43 per cent. in the last statement over the previous year, whereas Dominion Stores showed an increase of 55 per cent. in net profits. Total sales showed an increase of 25 per cent. in Loblaw stores, compared with 21.9 per cent. in Dominion Stores.

During the year the number of Loblaw stores increased 38 per cent., compared with an increase of only 9 per cent. in number of Dominion Stores. This point must be kept in mind in making any comparison, for the larger number of stores which are opened during the year tends to cut down the average business done per store for that year, because the store is not operating throughout the whole year.

Several New Stores Opened

Along with the fact that Loblaw Groceterias had 11 more stores in the past year than in the previous year, average sales per store declined by 7 per cent., while with the Dominion Stores average sale increased 11.7 per cent. The ratio of net profit to total sales in the Loblaw stores increased by 0.6 per cent., compared with 0.51 per cent. increase in the Dominion Stores, despite the fact that in Loblaw stores there was a 7 per cent. decrease in the average sales per store. This would seem to indicate that there was no appreciable reduction in the average sales per store, but that the apparent reduction resulted from the opening of so many new stores during the year. This fact would also seem to be borne out by the fact that Loblaw stores had a much greater total volume of business in the past year than the previous year and carried this business with a lower total expense ratio.

Mr. Loblaw has stated that once a store reaches a sales volume approximating $10,000 per week, he considers it time to open a new store in the same town or district. That would give a total volume of $520,000 for a year. The average sales per store were apparently $192,935 for the year ending last May, and, even with allowances which must be made because of some stores operating only part of the year, it would appear that many of the stores must still be far below the $10,000 per week average required before another store is opened in the same district. It is evident from the table shown herewith that Loblaw stores, with an increase of 38 per cent. in number of stores, had an increase of 25 per cent. in total sales volume, with a 43 per cent. increase in net profits resulting from an increase of 0.6 per cent. in the ratio of net profit to total sales.

On the other hand, Dominion Stores with the cash-and-carry principle, but giving certain service, had an increase of 9 per cent. in number of stores, bringing an increase of 21.9 per cent. in total sales volume and an increase of 55 per cent. in net profits by increasing the ratio of net profit to total sales by 0.51 per cent., or practically the same ratio as that of Loblaw stores. The average sales per store showed an increase of 11.7 per cent. however, compared with an apparent decrease of 7 per cent. in average sales in Loblaw stores. Dominion Stores figures of average sales per store were not reduced to the same extent, however, due to new stores operating only part of the year, and it is apparent that once the rapid addition of stores in the Loblaw chain is passed that a still better showing will be made.

Figures for the first six months of this year for Dominion Stores, a later period than is covered by any of the foregoing figures, show sales of $7,062,689 through 410 stores, or an average for the year per store of $35,226 in sales, compared with $32,686 average for the previous year.

The figures given herewith indicate, among other things, that these chain stores are securing a higher ratio of net profit to total sales despite the period of expansion through which they are going. This is being accomplished partly through further economies in operation, partly, perhaps, through large margins, and the result is, of course, partly due to the larger volume of business handled through the existing organization, in each case.

Western Canada Flour Will Redeem Bonds

Announcement has just been made by the Western Canada Flour Mills Co., Ltd., that they will redeem all the first and refunding mortgage 6 per cent. gold bonds, and the first mortgage 20-year sinking fund sterling bonds of September 1.

Atlantic Sugar Ref. Shows Fair Profit

Preliminary figures issued by Atlantic Sugar for the first six months of the year show that earnings have been very well maintained. After allowing for all expenses and interest charges, net earnings for the period were in excess of $250,000, which represents a yearly rate of between $500,000 and $600,000. Fortunately for the company a large amount of export business has been secured. A large number of orders for shipment for September delivery have been booked up. There is a general tendency for raw sugar to improve in price, and this should work to the advantage of the company, since the large volume of sugar actually contracted for should appreciate materially. The stock remains firm at 24-25.

PRESIDENT ISSUES B.C. FISH DENIAL

Aemilius Jarvis Says There is No Intention of Splitting Stock or Doing New Financing

Regarding items which have appeared in the press discussing the possibilities for new financing, amalgamations and acquisitions by the British Columbia Fishing and Packing Co., the president, Aemilius Jarvis, makes the statement to The Financial Post that there is no movement contemplated by the management or the board of directors towards any amalgamation or purchase of other salmon canneries, nor have the directors considered any scheme of reorganizing or rearranging the company's capitalization. Further, says Mr. Jarvis, the company has all the working capital it requires so no refinancing is necessary.

Mr. Jarvis regards this statement as advisable from the president of the company because the various rumors may be interpreted as indicating unreasonable profits and an argument why more should be paid by the company for its raw material. The source of the rumors, he declares, is unknown to the board or to himself.

B. C. Fishing during 1925 rose from a low of 19 to a high of 64⅝. Recently on the reports of a split in the stock, now met by the official statement quoted above, the price rose to 78 after having declined to 57¼.

Maple Leaf Milling Closes for Few Days

Owing to the marked advantage which Buffalo has as a milling centre over ports such as Port Colborne, on the Canadian side, due to discrimination in freight rates, and other causes, the activities of the Canadian milling companies are still further handicapped this season. The huge mill of the Maple Leaf Milling Company at Port Colborne, with a capacity of 13,000 barrels a day, has found it advisable to close for a few days owing to these conditions. The plea of the Maple Leaf Milling Company, the Millers' Association, and the Ontario Department of Agriculture, that the unfair rate situation be adjusted, is still before the board of railway commissioners, and it is not expected that a decision will be rendered until after the federal elections.

SHAREHOLDERS OF PROVIDENT CORP. URGED TO AGREE

(Continued from page 1)

submit the offer to the shareholders for their consideration and disposal. The price offered is, in the opinion of your directors, practically the full value of our assets and therefore the most tenable objection to the transaction being consummated is largely a sentimental one.

If the Huron and Erie purchases the Hamilton Provident it is the intention of the purchaser to retain the entire Hamilton staff in our present premises and continue the business of lending money to borrowers in Hamilton and immediate vicinity. Much additional capital will be available for this purpose on satisfactory first mortgage loans. Thus will the work of development of Hamilton's growth in which the Hamilton Provident has been so large a factor in the past be not only carried on but will receive added stimulus because of the unlimited capital then available.

The Hamilton Provident is to-day in splendid financial condition. Whether its earnings in the future can be maintained to the standard of the past few years is very problematical, because, first, of the rapidly decreasing rate of interest obtainable on first mortgages, caused by unfair and unprofitable government competition, which for the present is confined to farm loans, but which undoubtedly and logically, in time must extend to city loans. And, secondly, the continual increase in taxation and all other expenses. Still another source of serious competition in interest rates is also already on the horizon. We refer to that of life insurance companies, many of which have vast sums of money accumulating in their treasuries, seeking investment at lower rates and greater risk than our corporation cares to accept. The question is, can companies like ours with very limited capital continue to function profitably? These unfavorable factors for maintaining our earnings to the standard of the past are not sufficiently counteracted by a decreasing borrowing rate from our sources of obtaining money to lend. No one knows what unforeseen events may occur in the future to affect our earnings.

These facts clearly indicate that our corporation cannot go on continually increasing its dividend rate to its shareholders, without seriously impairing its earning power.

In banking, as well as in real estate and all lines of business, occasions are not uncommon where attractive offers have been received and declined and which at a later date would be gladly welcomed. Is this one of these occasions? As a commercial transaction it would appear that the offer we have received is a very good one in every respect, and whether the psychological moment to sell, which was not of our seeking, has arrived, is for the shareholders to decide.

This statement by the president on behalf of the board is regarded by those favoring the proposal as pretty well disposing of the objections which have been raised. Experts on income tax declare that the levy will in any event be a small one, although a definite ruling has not yet been obtained in this regard. The quoted market value of Huron and Erie debentures is stated to be without authority. The price offered compared with market quotations is regarded as an answer to the claim that assets have been undervaluated.

And as regards retaining the institution for Hamilton it is pointed out that it will be the policy to enlarge rather than curtail the scale of operations and the amount of funds available for loans in Hamilton. It is predicted that following the transaction the Hamilton Provident office will become the most important financial institution in Hamilton.

A feature of the transaction of special interest to the staff of the Hamilton company is that employees are to be included in the pension fund list of the Huron and Erie. It is understood that this will mean an additional appropriation by the London company of $70,000 for the benefit of the Hamilton Provident's staff.

Years of experience bring sound judgment to a successful financial institution. And as one of the senior investment houses of British Columbia we offer such a service to non-resident investors.

Correspondence is solicited from those who would have independent reports on present holdings and from those who consider investment in this far western province.

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Big Maple Leaf Milling Plant a Revelation to the Visitor

Largest Flour Mill in British Empire Strategically Located on Canada's Inland Water Highway

The visitor to the great plant of the Maple Leaf Milling Company at Port Colborne — the largest flour milling plant in the British Empire—is immediately impressed with the strategic position of the mill as he watches the endless line of freighters plying from the Head of the Lakes, through the Welland Canal to the Atlantic seaboard — past its very doors. Tidewater advantages providing for milling in transit are at once apparent. As one approaches the canal by night, from Lake Erie, the mill's bright illumination emphasizes its immensity.

The second unit of 6,000 barrels has just been put into operation bringing the total capacity up to 13,000 barrels a day. This additional unit is usually employed on export business and had not been working for some time. Although the company does not anticipate the recurrence of any large exceptional business such as that received from Russia last year, there are indications of expanding demand from Europe and the Orient. Early reports of an enormous wheat crop in Russia are being pared down. The Soviet will probably still need large quantities of wheat and flour from the outside world. As her wheat crop assumes pre-war proportions, the consumptive and buying capacity of the population expands. Continental Europe in general needs more wheat each year and her production is hardly keeping pace with demand. Maple Leaf has secured some good business from China where military operations interfere with grain growing and at the same time necessitate the provision of additional foodstuffs.

Milling Process Thoroughly Modern

The machinery of the Maple Leaf mill is the last word in milling equipment. To the layman, the various processes bringing the golden wheat to snow-white flour are a revelation. The average man has no idea that the milling process involves five separate grindings. He has no idea of the dispatch with which the grain is unloaded from the boats, weighed automatically into 15 bushel lots for the machines, and examined automatically for moisture content which should, incidentally, be 14 per cent. approximately. He little dreams of the complexity of the huge grinders, each of which wrings from the wheat a portion of the snowy flour, between immense steel rollers. What is probably of most interest to the visitor is the row of huge sifters, twelve or fifteen feet in height, containing a series of wire and silk screens which keep up a dizzy shimmying motion day and night, separating the flour from the shells and yielding several by-products such as bran and shorts. Then the bagging and loading process—the long line of 195 pound sacks traveling along a moving belt—passing through a sewing machine as they go to have their open end sewn—and away to the waiting freighter—all this is a revelation to the visitor not acquainted with the milling process.

Adverse Conditions to be Met

While the Port Colborne mill of the Maple Leaf Milling Company is advantageously situated for home and export business, it has been affected along with other Canadian mills, by the relative cheapness of flour manufacture and export in the United States. Milling men complain of rate discrimination which favors United States millers and places a premium on shipping over U.S. railways to American seaboard ports. This applies particularly to grain being shipped from the West and especially when it is shipped from one of the Bay ports in Ontario, to the Atlantic. Then there is a rate advantage in favor of shipping the whole wheat to Great Britain for milling there.

All these problems are gradually being solved. Exports of flour show a sufficient growth to warrant the hope that the situation will adjust itself in time. Demand in the world markets this fall promises to be unusually heavy, and the superiority of the Canadian product is becoming established in these world markets. Maple Leaf's investments in bakeries have proven very profitable, and there is much to warrant the hope that the stock of this company is heading upward.—H. M. C.

Plant of the Maple Leaf Milling Co. at Port Colborne.

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800 in Canada *including*: Vancouver, Victoria, Calgary, Edmonton, Regina, Winnipeg, Fort William, Windsor, Ont., London, Hamilton, Toronto, Ottawa, Montreal, Quebec, St. John, N.B., Halifax, Sydney, Charlottetown

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MONTREAL POWER TO OFFER SHARES TO ITS CUSTOMERS

Trading in the New Shares Started on the Montreal Market

Montreal trading in the new shares of Montreal Light, Heat and Power Cons., was initiated on Wednesday, in the unlisted department of the Montreal Stock exchange on an "as, when and if issued" basis. There was a sale of the new common at 59, and subsequent quotations were 58¼ to 59 for the common and 51 to 52 for the preferred. Taking 59 as the price of the common and 51 as that of the preferred, the unsplit shares are given a valuation of 228 as the latter is exchangeable on the basis of one share for three shares of the new no-par common plus one share of $50 par preferred. The unsplit stock actually sold at 227 in the listed department throughout the session today.

The new issues will be regularly quoted on the unlisted section of the Montreal Stock Exchange, "when, as and if issued" commencing Monday.

Plans have been completed for the offering of some 100,000 shares of Montreal Light, Heat and Power Consolidated to the customers of the company. In spite of the recent rise in the market price of the present stock to a point where an allowance of $50 as the value for the preferred stock would set a valuation of over $58 a share on the new stock of no-par value to come after the "split," it is believed that the original intention of offering the customers stock at around $50 a share will be adhered to. This level makes possible a very simple arrangement, free from any fractions of a dollar in the instalment price. For, as the plan now stands, each customer will pay an initial amount of $2 for each share that he proposes to subscribe to, and $2 a share on the 15th of each month for a period of two years. This would make 25 payments of $2 each, including the initial one, and bring up the amount to exactly $50 a share.

One of the provisions is that no stock will be delivered to the subscribers before the expiration of two full years; that is, until about Sept. 15, 1928, on the assumption that the date of Sept. 15, 1926, will be the beginning of the transaction. As payments accrue, interest will be allowed by the company on the balance standing in the name of the subscriber at exactly the same rate as is being paid at the time as dividend rate on the common stock. On this basis a subscriber may pay up the remaining instalments at any time, but even if payment is completed before the expiration of the two years no delivery of the stock will be made.

One of the points of interest in the plan is that the right to subscribe to the new stock is not transferable.

Public Utility Earnings

JAMAICA PUBLIC SERVICE EARNINGS

May—	1926	1925	Incr.
Gross earn.	$53,513	$49,530	$ 3,983
Oper. Exp. and taxes	33,315	31,541	1,774
Net Earn.	$20,197	$17,989	$ 2,208
Int. charges	6,271	6,883	x 611
Bal. for res. retire. and div. .... xDeficit.	$13,926	$11,106	$ 2,820

CAPE BRETON ELECTRIC EARNINGS

May—	1926	1925	Incr.
Gross Earn.	$48,797	$41,720	$ 7,076
Oper. Exp. & Taxes	40,106	39,610	495
Net Earn.	$ 8,691	$ 2,109	$ 6,581
Int. Charges	5,729	5,728	.....
Bal. for res. retire. and div. .... xDeficit.	$ 2,962	$ 3,618	x$6,580

Alabama Power

June	1926	1925	Inc.
Gross	$1,039,529	$ 928,069	$ 111,460
*Oper. exp. ..	531,548	504,924	26,624
Net	$ 507,981	$ 423,145	$ 84,836
Twelve months ending June 30:			
Gross	$12,822,899	$9,777,919	$3,044,980
*Oper. exp. .	6,941,876	4,925,909	2,015,967
Net	$5,881,023	$4,852,010	$1,029,013

*Including taxes.

Barcelona Traction

June	1926 Pesetas	1925 Pesetas	Increase Pesetas
Gross earn. ...	6,827,982	6,633,114	194,868
Oper. exp. ...	2,618,060	2,507,042	111,018
Net earn.	4,209,922	4,126,072	83,850
Aggre. gross from Jan. 1	45,949,272	43,578,063	2,371,209
Aggre. net from Jan. 1	30,297,324	29,131,052	1,166,272

SOUTHERN CANADA POWER

June—	1926	1925	Incr.
Gross Earn. ...	$107,770	$ 96,109	$ 11,661
Oper exp.	40,785	39,473	1,312
Net Earn.	$ 66,985	$ 56,636	$ 10,348
9 Mos. end. June 30—	1926	1925	
Gross Earn. ..	$1,027,123	$878,107	$149,015
Oper. Exp.	348,084	383,612	x 35,528
Net Earnings . xDecrease.	$679,038	$494,495	$184,543

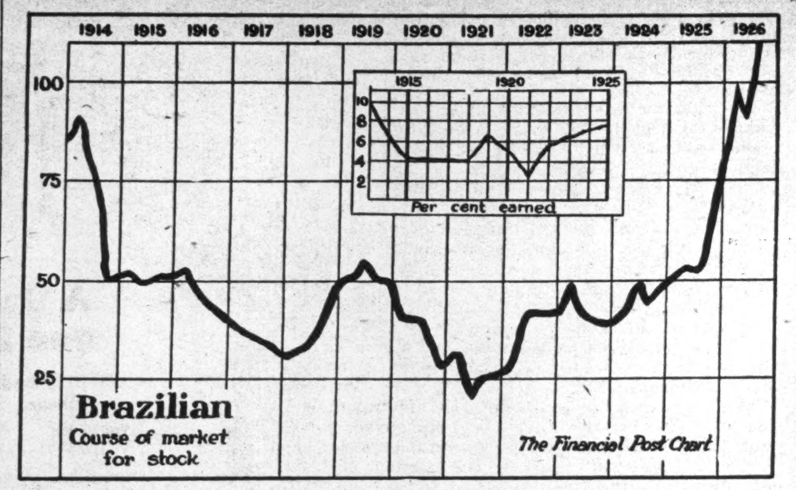
WINNIPEG ELECTRIC

June—	1926	1925	Incr.
Gross Earn. ...	$431,328	$406,611	$ 24,716
Oper. exp.	313,835	305,254	8,581
Net Earn.	$117,492	$101,357	$ 16,134
6 Mos. end. June 30—	1926	1925	
Gross Earn. ...	$2,775,287	$2,683,383	$ 91,903
Oper. Ex.	1,927,204	1,940,533	x13,328
Net Earn. ..... xDecrease.	$848,082	$742,850	$105,232

Duluth-Superior

2nd Quarter	1926	1925	% Inc. or Dec.
Gross revenue ...	$438,564.81	$449,331.95	2.40
Oper. expenses ..	359,028.65	366,296.61	1.99
Net revenue	79,540.66	83,035.34	4.21
Fixed charges and taxes	74,708.61	72,387.52	*3.21
Net income	4,832.05	10,647.82	54.62
6 months—			
Gross revenue ...	$948,670.17	$962,526.14	1.44
Oper. expenses ..	761,580.76	763,745.27	.28
Fixed charges and taxes	152,911.56	147,667.93	*3.54
Net revenue ...	187,089.41	198,780.87	5.82
Net income	34,177.85	51,112.94	33.13

*—Increase.



Brazilian Traction at New High Record on Stock Exchanges

Advance Accompanied by Revival of Various Rumors—Exchange Outlook Favorable and Earnings Reports Indicate Continued Expansion of Business

BRAZILIAN RECORD IN FIGURES

Year	Net Profits	Net Per Shares	Com. Div.	Com. High	Com. Low
*1913	$11,198,493	10.30	6	101	80⅛
1914	7,666,532	6.78	6	92	58½
1915	5,394,802	4.50	4	59½	53
1916	5,674,642	4.76	4	62⅝	41½
1917	5,266,518	4.88	..	37¾	31¾
1918	5,428,673	4.52	..	60	32
1919	7,873,967	6.82	..	60¾	50
1920	5,995,123	5.06	..	51	28
1921	3,237,681	2.47	..	36	20
1922	6,851,968	5.86	2	50¼	28
1923	6,929,965	5.93	4	53	35½
1924	7,638,917	6.60	4	55¼	41¾
1925	8,255,268	7.18	4	84½	49¼

*For 18 months.

Brazilian Traction again made a new high price this week, and the advance was accompanied by a good deal of market gossip, and a revival of reports of a dividend increase, a stock distribution or a split in the shares. Strength was given to the latter theory by talk of a plan of retiring the preferred issue by changing to common which would require the creation of additional junior shares. In addition to satisfactory earnings reports, strength of Brazilian has been due in part at least to the exchange situation. It is generally believed that Brazil's currency will be stabilized at the present level. Strength in milreis has had both a depressing and stimulating effect on Brazilian Traction. As the Brazilian currency appreciated, the purchasing power of the milreis abroad increased and imports have, therefore, greatly increased, while exports have decreased. This naturally has brought about a crisis in Brazil, resulting in many financial mortalities. Undoubtedly the consumption of power by Brazil's industries has decreased. The all round depression in Brazil, therefore, may curb the earnings of Brazilian Traction. This is not likely to be serious in view of the diversity of services rendered by the company. On the other hand since it is not probable that milreis will go higher, a bullish factor in Brazilian Traction will be removed. Brazil has a wide list of shareholders all over the world, and as the currency went up, a great saving was effected in the distribution of dividends. Regarding the exchange situation, Watt & Watt say:

"It is expected in New York banking circles that the Brazilian authorities will arrange for the time being to stabilize the milreis at slightly above 16 cents. Should this be made effective, earnings for the second half of the year should be larger than the first half. There are reasonable assurances that the company in 1926 will earn better than 11 per cent. on the common stock, or more than double the current dividend of 5 per cent.

"The effective, if somewhat drastic, efforts of the government of Brazil to rehabilitate the country's financial structure and meet foreign obligations in full when they become due next year, under the agreement made several years ago with British bankers, has been successful, and intimations have been made by the Brazilian ambassador to the United States, that sinking payments would be resumed in 1927, out of ordinary revenue of the country and not by extra taxation. The government has been helped greatly by the steady growth of exports, which has served to establish large favorable trade balances. These balances have helped to offset invisible adverse balances such as loan obligations abroad. It is anticipated that when accounts are made up for the past year, a balance over all obligations will be shown.

"The aim of Brazilian authorities is gradually to bring back the milreis to par over a term of years, possibly by building up resources sufficient to raise the milreis, say, one cent per year. Each cent appreciation should represent an increase of $1,000,000 in the earnings of Brazilian Traction, when computed in dollars."

May Change Preferred

Some interest has been caused in the "Street" over the suggestion that Brazilian might redeem its preferred stock for common. A further analysis of the situation shows that there is not sufficient of unissued common stock of the company to retire all the preferred on the basis of one share of common for one and two-tenths shares of preferred. To meet the conditions would require $8,333,333.33 of common as equivalent to $10,000,000 outstanding of preferred. As a matter of fact, there is now outstanding of common $106,583,700 out of an authorized total of $110,000,000. This leaves a balance of only $3,416,300 of common. It would, therefore, be necessary either to issue more common or to buy some in. From a yield standpoint the common would have to pay seven per cent., or $7.20 a year, to be equal to the return on preferred of one and two-tenths shares at six per cent. dividend.

The Brazilian advance represents some remarkable profits to the shareholders since the upward movement started at 50 last year. The net gain to date has been 61½ points, which, figured on an outstanding capitalization of $106,576,000, represents an advance of $65,544,240. During the past week the stock gained nine points or nearly $10,000,000 in the market value.

Winnipeg Electric Helped by Industrial Expansion

A recent bulletin issued by the Winnipeg board of trade announces that the city now has 600 industries operating. Growth of the city is indicated by the further announcement that the erection of over 1,000 buildings, ranging from small dwellings to a huge department store, has been commenced this year. Building permits for the first six months of 1926 totaled $8,000,000, as compared with $2,400,000 for the same period in 1925. Construction is trying to keep up with the increasing demands of general business. Owing to its ability to supply increasing requirements for power, the Manitoba Power, a subsidiary of Winnipeg Electric Co., is bound to benefit materially. Growth in activities in the Winnipeg district has had lately, and is bound to have increasingly, a favorable effect on the business of Winnipeg Electric Co.'s tramway and gas services.

ALABAMA POWER

An agreement has been signed between the U. S. War Department officials and the Alabama Power Co., whereby the latter will again take power developed at Wilson Dam in the Tennessee River at Muscle Shoals at higher rates than were paid by the company under the agreement entered into last summer which terminated early this month.

BARCELONA TRACTION

Barcelona Traction has scored a sharp recovery during the week in sympathy with the improvement in the Spanish exchange situation.

MANY MILLIONS REQUIRED FOR POWER PROJECTS

Estimated That $1,300,000,000 Will be Invested in 20 Years

While there will be from time to time fluctuations in the market value of power company securities, reflecting business and industrial prosperity or depression and changing investment values on the basis of dividend returns—investors in such enterprises in Canada would seem to have little need to fear for the future of the electric power industry as a whole. Furthermore, there will undoubtedly be many opportunities for other attractive investments as capital for additional developments is required. A study of the probable cost of future turbine installation in Eastern Canada by the Dominion Water Power Branch of the Department of the Interior, indicates that between 1926 and 1945 about $1,300,000,00 will be required in capital expenditures and that the average expenditure per year for the next twenty years will be close to $65,000,000. Of this total it is estimated that about $600,000,000 will be required in Ontario and nearly $700,000,000 in Quebec.

Such figures as these, and statistics compiled by the Royal Bank, showing the rapid rise in kilowatt hours generated, have indicated the rapid growth in the industry but, as the Royal Bank points out, the economic importance of the subject stands out more clearly when these changes are transformed into terms giving the amount of capital required. Even more startling results would, no doubt, be obtained by showing the capital investment and the man power necessary for the growth of the power using industries which will develop during the next twenty years.

Montreal Power Again Cuts the Price of Gas

MONTREAL. — Reductions in service rates as applied to gas are announced by the Montreal Light Heat and Power Consolidated, the change to take effect with all meter readings after October 31 of this year.

The present rate is $1.10 per thousand cubic feet for the first 100,000 cubic feet consumed. This will be reduced by five cents per thousand cubic feet and this reduction obtains throughout a schedule whose charges are detailed in a descending scale, as far as the consumption of 250,000 cubic feet, those consuming more than this quantity paying a mixed charge of 75 cents, instead of eighty cents per thousand cubic feet, as at present.

Officials of the company state that it is the sixth cut made in gas rates since 1901.

Power Development in The Land of Evangeline

Municipalities and industrial concerns throughout the Annapolis Valley look to the Avon River Power Co. Limited, for light and power.

The company is enjoying steady expansion, and there is every indication that its present healthy condition will continue indefinitely.

The First Mortgage 5½% Sinking Fund Gold Bonds of the company offer a splendid investment, being amply secured and yielding a satisfactorily high return.

We own and offer these bonds at

98.50 and accrued interest
to yield more than 5.60%

Descriptive Circular on request.

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Members: Montreal Stock Exchange — Toronto Stock Exchange.

Where Experience Counts

You will find our thorough knowledge of markets and all classes of investment securities helpful in selecting your investments. We have been able to show many investors with limited capital how to secure a bigger return on their money. May we help you?

Municipal Bankers Corporation LIMITED
34 King Street, East. Toronto

We beg to announce that

MR. HAROLD A. SOMERVILLE

and

MR. CLARE A. MONKHOUSE

have been admitted into partnership in our firm.

S. R. MACKELLAR & CO.
Members Toronto Stock Exchange
INVESTMENT SECURITIES
21 MELINDA STREET - - TORONTO

THE WABASSO COTTON COMPANY LIMITED

ANNUAL REPORT, 1926

DIRECTORS

W. G. E. Aird, Three Rivers, P.Q.
R. N. Ball, Woodstock, Ontario.
Wm. I. Gear, Montreal, P.Q.
Wm. Harty, Jr., Kingston, Ontario.
Hugh Mackay, K.C., Montreal, P.Q.
Jas. W. Pyke, Montreal, P.Q.
C. R. Whitehead, Three Rivers, P.Q.

OFFICERS

C. R. WHITEHEAD, President and Gen'l. Mgr.
JAS. W. PYKE, Vice-President.
JAS. R. RITCHIE, Sec.-Treasurer.
W. G. E. AIRD, Manager

Directors' Report to the Shareholders

Gentlemen:—

Your Directors have pleasure in submitting herewith Balance Sheet as at 30th June, 1926, together with Profit and Loss Account, for the year ending that date.

The result of the year's operation is fully set forth in the appended Profit and Loss Account, from which it will be observed that, after making provision for all charges, including Bond Interest and Sinking Fund, and setting aside $100,000.00 for depreciation of Property and Plant, the net profit amounted to $178,521.03. From this there have been paid during the year, dividends at the rate of Four Dollars ($4.00) per share, amounting to $140,000.00, and the balance has been added to the Surplus Account.

In submitting the Balance Sheet, your Directors feel that the results they are able to present should be very satisfactory to the Shareholders.

Respectfully submitted on behalf of the Directors.

(Signed) C. R. WHITEHEAD, President.

Three Rivers, P.Q., July 22nd, 1926.

BALANCE SHEET

As at 30th June, 1926

ASSETS

Current Assets:—			
Cash on hand and in Bank		$ 112,150.05	
Victory Bonds, Call Loans, etc.		294,654.00	
Accounts Receivable and Bills Receivable, less Reserve for Bad and Doubtful Debts		659,450.65	
Inventories of Raw Cotton, Partly Manufactured and Manufactured Stock, Supplies, Chemicals, etc.		490,840.25	
			$1,557,094.95
Cash in Hands of Trustees for Sinking Fund			227.13
Property:—			
Real Estate, Buildings, Plant, Machinery, etc.			3,157,019.53
Investments:—			
Bonds of St. Maurice Valley Cotton Mills, Ltd., at Cost	$ 22,913.92		
Bonds of Wabasso Cotton Co., Ltd., at Cost	9,361.12		
Bonds of Shawinigan Cotton Company, Ltd., at Cost	65,230.00		
Stock of Shawinigan Cotton Co., Ltd., at Cost	96,080.00		
Sundry Investments, at Cost	55,620.00		
		$ 249,205.04	
Pledged as Collateral Security for $750,000.00 20-year 7% Collateral Trust Gold Bonds			
Bonds of St. Maurice Valley Cotton Mills, Ltd., at Cost	$ 722,619.00		
12,500 Shares of $100 each of St. Maurice Valley Cotton Mills, Ltd., Common Stock being the whole issue	1,250,000.00		
		1,972,619.00	
			2,221,824.04
Deferred Charges:—			
Bond Discount and Unexpired Insurance			52,760.95
			$6,988,926.60

LIABILITIES

Current Liabilities:—			
Accounts and Bills Payable		$ 582,563.86	
Bank Loans, secured by Cotton and Victory Bonds		150,000.00	
Operating Expenses, Accrued Wages, etc., and Reserve for Government Taxes		207,656.75	
Bond Interest Accrued		12,061.65	
Unclaimed Wages		2,500.00	
Dividend payable 2nd July, 1926		35,000.00	
			$ 989,782.26
St. Maurice Valley Cotton Mills, Limited:—			
Loan			486,646.24
First Mortgage 6% Bonds, due 1st June, 1947:—			
Authorized and Issued		$1,000,000.00	
Less Redeemed for Sinking Fund	$160,000.00		
Held in Treasury	19,000.00	179,000.00	821,000.00
Mortgage and Collateral Trust Sinking Fund 7% Bonds due 1st May, 1942:—			
Authorized and Issued		$ 750,000.00	
Less Redeemed for Sinking Fund		68,000.00	682,000.00
Reserve for Mortgage and Collateral Trust Bond Sinking Fund			68,227.13
Reserve for Depreciation			1,017,751.95
Liabilities to Shareholders:—			
Capital Stock:—			
Authorized and Issued	35,000		
Shares of No Par Value		1,750,000.00	
Surplus:—			
General Reserve	$500,000.00		
Profit and Loss Account:—			
Balance as per Statement attached...	673.519.02	1,173,519.02	2,923,519.02
			$6,988,926.60

Contingent Liabilities .....$302,673.82.

Montreal, 15th July, 1926.

To the Shareholders of The Wabasso Cotton Co., Ltd., Three Rivers, Que.:—

We have examined and audited the Books and Accounts of The Wabasso Cotton Company, Limited, for the year ended 30th June, 1926, and beg to state that we have obtained all the information and explanations required by us, and, in our opinion, the accompanying Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of the information and explanations given to us, and as shown by the Books of the Company.

The various investments held by the Company have been verified by us by personal inspection or by certificates from the depositaries.

The Inventories of Stock on hand have been certified by responsible Officials of the Company, and have been valued on a conservative basis.

Verified as per our Report of this date.

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.
JAS. W. PYKE, WM. I. GEAR, Directors.

PROFIT AND LOSS ACCOUNT

For the Year Ended 30th June, 1926

Profit for the year ended 30th June, 1926, after deducting all Manufacturing and other Charges and Expenses, also provision for Income war Tax but before providing for Depreciation, Bond Interest and Sinking Fund		$313,437.67
Interest on Investments		82,177.51
		$ 395,615.18
Depreciation on Property and Plant	$100,000.00	
Bond Interest	98,629.15	
Sinking Fund	18,465.00	217,094.15
Net Profit		$ 178,521.03
Add Balance at Credit 30th June, 1925		634,997.99
		$ 813,519.02
Deduct Dividends for the year at the rate of $4.00 per Share		140,000.00
Balance at Credit Carried to Balance Sheet		$ 673,519.02

Montreal, 15th July, 1926. Verified:—

RIDDELL, STEAD, GRAHAM & HUTCHISON, C.A., Auditors.

When Hiram Walker Was "The Best Man in Town"

The announcement that a syndicate is taking over the Walker distillery at Walkerville has led to the publication in the Detroit News of an article reminiscent of the late Hiram Walker who was not only the "father" of Walkerville but one of the outstanding and picturesque figures of Canadian industry. The Walker enterprises of to-day include a number of companies in addition to the distillery property: the Walkerville Land and Building Co., the Walkerside Dairy, the Walkerville and Detroit Ferry Co., and Walker Sons, Ltd., (controlling planing mills with land and insurance departments). Harrington E. Walker and Hiram H. Walker, sons of the late J. Harrington Walker and grandsons of Hiram Walker, are president and vice-president of these companies growing out of the old plan. Harrington E. is president of the Land and Building Co. and the Walkerville and Detroit Ferry Co. with Hiram H. as vice-president. Hiram H. is president of Walker Sons, and of the Walkerside Dairy, with Harrington E. as vice-president. Robert L. Daniels, who started with Hiram Walker & Sons some 23 years ago as a small boy, is now managing director of the Land and Building Company, secretary-treasurer and director of Walker Sons, Limited, secretary and director of the Walkerside Dairy and assistant secretary-treasurer of the Walkerville and Detroit Ferry Co.—Editor.

Who's the best man in this town?
Hiram Walker, Hiram Walker.
What's the best brand in this town?
Old Club whiskey, Old Club whiskey.

This favorite drinking song of the 90's, and, perhaps, even earlier, and the unique character about whom the little verse swings, are recalled by the announcement that negotiations are under way for the sale of the big distillery of Hiram Walker & Sons, Limited, in Walkerville, to British interests. Harrington E. Walker, president and managing director of the concern, says an option has been given by the owners. The option price is not announced, but the figure is placed at many millions by those familiar with the value of the plant, which included several huge bonded warehouses, each containing hundreds of thousands of gallons of whisky in process of maturing. The distillery is one of the largest in Canada, and its products are sold all over the world.

Hiram Walker, who founded the distillery in 1857, was born in the little town of Douglas, Mass., July 4, 1816. His first employment was as a clerk in a dry goods store in Boston. He was 22 years old when he came to Detroit. He was a clerk in a grocery on Atwater Street and later engaged in the grocery business himself on Atwater, near Bates Street. This venture was not successful. Later, in partnership with Jeremiah Ingersoll, he operated a tannery on Dequindre Street, but fire destroyed the plant. He then engaged again in the grocery business, this time on Woodward Avenue, and met with some measure of success.

His Dream

Walker had long dreamed of establishing a distillery. In 1857, when he was 41, he decided the time was ripe for the venture. He purchased a considerable strip of land on the Canadian side of the Detroit River, and with what money he had, and backed by extensive credit, built his distillery. Success attended his efforts almost from the start and he began to pile up wealth. Soon he dominated the district in a commercial way. There is some uncertainty as to when the little village which was growing up around his enterprises came to be known as Walkerville, but local historians say it was about 1864, seven years after the building of the distillery.

When Walker built the distillery he also established a flour mill, and this enterprise he carried on for about 20 years. He soon extended his activities. He purchased large farms in Essex County, engaged in the lumber and stock-raising business; built and operated the Lake Erie & Detroit River Railway, now owned by the Pere Marquette. Walkerville became a one-man town, and the one man was Hiram Walker. For years the fire department was not a municipal institution, but was maintained by the Walkers. Walkerville became known not only as the home of the Walker distillery, but as a town of model homes, and with the lowest tax rate in the country. There was enormous wealth in small compass, and the tax rate one year is said to have been as low as $5 per $1,000 of assessment.

Liked His Jokes

Mr. Walker was small in stature, with a merry twinkle in his eye, and possessed a keen sense of humor. He was fond of talking with his employees and asking them about the distillery, if he was sure they didn't know who he was. One day he said to an employee whom he met on the street:

"My man, what's the best brand of whisky in Canada—I want the very best?"

"Walker's Canadian Club," was the prompt response.

"How about the Gooderham whisky?" persisted Walker.

"Good, but not like Walker's."

"And Joe Seagram's in Waterloo?"

The man admitted that Seagram's whisky had its good points, too, but was not to be compared to Walker's.

Walker named the products of all the rival distilleries in Canada, but the man insisted that Walker's whisky was best.

Hiram Walker went off chuckling, convinced that he had at least one loyal and faithful employee.

The one Walker enterprise that proved a complete failure was the attempt to grow cranberries. Walker spent thousands and thousands of dollars on a cranberry marsh at Marshfield, in Essex County, but the enterprise was a complete failure. He stuck to it for years, hating to admit defeat, but finally the attempt was abandoned.

Although whisky was made in enormous quantities in Walkerville, one seldom, if ever, saw a drunken man on the streets. Hiram Walker's motto was:

"Remember, that whisky is made to sell, not to drink."

Hiram Walker retired from business in 1895, and, to avoid the payment of succession duties on his estate, divided his large holdings among the three sons, and his daughter, Mrs. Theodore Buhl. He died Jan. 12, 1899, at the family home at Fort and Shelby Streets, in Detroit.

MINES POSITION STRONG, BULL MARKET PREDICTED

(Continued from page 1)

has a substantial payment to the Howey people coming due Dec. 1. There is already considerable speculation as to whether or not it will be met. It is estimated that Dome's expenditure on the Howey to date must be in excess of $125,000. There was substantial Dome buying by insiders when the stock moved below $12 recently, nearly 60,000 shares changing hands in four weeks. Trading is now back to normal, about 6,000 shares weekly.

Hollinger. — Porcupine's premier producer continues its expansion program. The tonnage is going up step by step and may reach 8,000 daily before the end of the year. Results underground have been such as to ensure sufficiently rich ore to maintain millheads at the present level. With the heavier tonnage costs should drop and profits increase accordingly. Hollinger will soon have three shafts to 3,000-ft. and it has been estimated that the end of the present year will see the mine's production total reach $115,000,000 with dividend distribution totalling $35,000000.

McIntyre Mill Talk

McIntyre. — McIntyre is pushing down its new shaft, being now below 3,000-ft. New levels have been opened up and a great deal of the dead work done, so that the mine is in a position to supply ore for a much larger mill. For this reason there are expectations that new mill plans may be announced this fall. The new mill has been decided on, but its exact size is yet to be announced. It will likely be 4,000 or 5,000 tons daily.

Vipond.—The enlarged mill at Vipond is steadily creeping up in production. Dr. Bell has just announced that the average daily tonnage in July was 229 tons and by the end of August the average should be 300 daily. It has been estimated that the enlarged mill will take care of the aggressive exploration program of the company and still show a profit of 10 per cent., so that the Street anticipates that 1927 should see Vipond on a dividend basis.

Kirkland Lake Thriving

Kirkland Gold. — Kirkland Lake camp provides a story of expansion from one end to the other. Kirkland Lake Gold will soon start milling. It is stated that the mill will turn over soon. It is believed that the power dispute going on in the camp, once settled, will see this mine launch production immediately. Developments have been fully up to expectations.

Some very rich ore has been opened out in the deep levels of the mine and J. B. Tyrrell, managing director, is now assured of a very profitable operation. He has stated that he wants two years ore ahead of the mill, which would indicate that Kirkland Gold's ore reserves now are around $2,000,000. It should be remembered that standing ahead of the common stock are 1,000,000 shares of preferred, redeemable at $1.10.

Teck-Hughes. — The usual crop of news in regard Teck-Hughes has not been coming out as freely of late. The power dispute is a factor. However, sufficient information is to hand to justify the expectation that the official announcement of Teck-Hughes new mill, when forthcoming, which should be shortly now, will give information on development that will be quite spectacular. It is believed that the company has already placed the order for its new milling equipment. At the same time reports from the north are to the effect that the latest diamond drill results have indicated richer ore at depth than that opened up by development to date. Teck-Hughes is to-day the north's richest mine. The shaft is now down 1480-ft. It is believed that the new mill will make provision for a tonnage up to 1,000 daily.

Lake Shore to Expand

Lake Shore. — This mine has been the subject of very bullish news which has been reflected in the market price of the shares this week when they moved up quite sharply. The report is, that Lake Shore in the last six months has put a couple of years ore in sight above the 1,000-ft. level. Coupled with this is the report that the present dividend rate of 40 per cent. will soon be increased and that the end of the year should see plans well under way to raise the tonnage to 1,000 daily.

Wright Hargreaves.—This mine is typical of the Kirkland Lake mines. It has been doing the spectacular so frequently the last couple of years, that the public refuses to get excited about it. The market for these shares has been steadily narrowing, owing to steady accumulation by Buffalo interests so that new developments and expansions are never violently reflected in the market for the shares. With bonuses the company has paid 25 per cent. this year to date.

Argonaut is looking much better. Deep development has been most encouraging and the outlook is that the operation is working into a much better mining position.

Castle Capitol. — Gowganda will soon have another mill, the Tonopah. There is not much investment interest in this company, but from a mining standpoint it is of ranking importance as it points to the possibilities of other operations in close proximity. Castle and Capitol are the most popular public stocks in the camp and what seems to be an inspired story was published recently by A. E. Moysey & Co. to the effect that there may be an amalgamation of these two companies. Part of this article is published elsewhere and is worth perusal. Castle should not be a long way from dividends. The market for the shares has been somewhat weak. This may be attributed to the fact that, presumably on the advice of insiders, many have been taking their profits in Castle and buying Capitol. The bulk of the Castle holders got their stock at 10 cents, so that with the stock around $1.50 they have a handsome profit.

Keora is again exploring its Calcite Lake property. Horace Strong, M.E., is now preparing a report on the property and this will give considerable information as to the possibilities of the enterprise when it is made public.

Mining Corporation

Mining Corporation.—This is the outstanding stock listed among the silvers. At the present price it yields 6¼, the dividend rate of 25c. per share being just half what the company formerly paid when the shares were on a dividend basis. Mining Corporation has acquired new Lorrain holdings, and while the present dividends are dependent on the continued success of its silver operations, and these are steadily improving, the main speculative interest in the shares is in the Flin Flon deal and in the Cryderman property in Central Manitoba. This latter, a gold property, looks definitely interesting, while recent announcements would indicate that the Flin Flon option is to be taken up.

Nipissing.—This veteran operation is reported doing well in its South Lorrain venture and its holdings in Quebec are proving attractive. Canadian Lorrain is building a mill in South Lorrain and in the meantime developments are proving satisfactory. Keeley continues to reflect the favorable development in the western part of the property.

Red Lake is not commanding the same attention that it did earlier in the year. While there is a considerable amount of work being done in the camp, there is nothing like what one might expect. The majority of the syndicates are not doing any more than they have to, being seemingly content to wait to see what transpires on the Howey. The finds at Woman and Birch Lakes have also detracted considerable interest from Red Lake.

"Rouyn district is booming" is the interpretation which the officials of the Geological Survey of Canada place upon the reports of Dr. H. C. Cooke, their geologist and an authority on the Quebec field who is spending the summer in that camp. The article referred to is to be found elsewhere in this issue. It treats only with the high lights of the field. There is a great deal of work going on in the Quebec field. News of successes met with is constantly coming out. By fall there should be a great deal of valuable data on finds made, and this fact has led many to predict that the Quebec issue will assume the leadership in any bull market that develops. Spectacular results are being met with on some of the leading properties, such as Waite-Montgomery, Horne, Towagamac, Amulet and others in that section. There is little information available in regard to the gold operations farther east.

New Issue

$3,000,000

The Anticosti Corporation

7% Sinking Fund Cumulative Preference Shares

Preferred as to capital and dividends. Cumulative dividends at the rate of 7% per annum accrue from date of issue and are payable quarterly December 1st, March 1st, June 1st and September 1st by cheque at par at any Branch in Canada of The Royal Bank of Canada. Redeemable as a whole or in part at the option of the Corporation on any dividend date on sixty days' notice at 105% of par value, plus accrued and unpaid dividends to date of redemption.

Transfer Agents—The Royal Trust Company | **Registrar—Montreal Trust Company**

For detailed information, we refer to the prospectus containing letter from Mr. George M. McKee, President of the Corporation, which has been summarized in part as follows:

The Corporation

The Anticosti Corporation has been incorporated and has acquired complete ownership of the Island of Anticosti, except unimportant acreage ceded to the Government of the Dominion of Canada for lighthouse purposes. Anticosti is situated in the Gulf of St. Lawrence and embraces about 3,100 square miles, approximately one and one-half times the area of the Province of Prince Edward Island. The Island is conservatively estimated to contain 15,000,000 cords pulpwood, estimated to have a value of $15,000,000.

Through acquisition of the Island of Anticosti, the Corporation owns outright the largest and most valuable freehold reserve of pulpwood in Eastern Canada.

All of the Common Shares of the Corporation are owned by St. Maurice Valley Corporation, Wayagamack Pulp & Paper Company, Limited, and Port Alfred Pulp & Paper Corporation, assuring to the Corporation experienced and capable management.

Security for Preference Shares

An agreement has been entered into between The Anticosti Corporation and St. Maurice Valley Corporation, Wayagamack Pulp & Paper Company, Limited, and Port Alfred Pulp & Paper Corporation, as a part of the terms of which, St. Maurice Valley Corporation, Wayagamack Pulp & Paper Company, Limited, and Port Alfred Pulp & Paper Corporation jointly and severally covenant:

1. To purchase from The Anticosti Corporation a minimum total of 390,000 cords of pulpwood during each of the three years commencing November 30th, 1926, and 420,000 cords during each year commencing November 30th, 1929;
2. To pay to The Anticosti Corporation in each year: (a) a sum equal to the full amount of the Corporation's operating expenditures including depreciation; and (b) a minimum stumpage fee of $2.40 per cord for each cord of pulpwood purchased as long as any of the first issue of $6,000,000 Fifteen-year First Mortgage 6½% Sinking Fund Bonds, Series A, are outstanding and thereafter a minimum stumpage fee of $1.40 per cord until the $3,000,000 Preference Shares now to be issued shall have been redeemed. These minimum stumpage fees are to be paid, whether or not the minimum number of cords agreed to be taken is cut or delivered.

The above stumpage payment of $2.40 per cord is equivalent to the current stumpage fee of approximately $1.40 per cord now payable to the Government of the Province of Quebec on pulpwood cut on leasehold timber areas, plus the usual depletion allowance of one dollar per cord.

It is provided that, if at any time the amount of bonds or Preference Shares of the Corporation shall be increased beyond $6,000,000 principal amount of bonds or $3,000,000 par value of Preference Shares, the aggregate minimum amount of stumpage charges payable by St. Maurice Valley Corporation, Wayagamack Pulp & Paper Company, Limited, and Port Alfred Pulp & Paper Corporation shall be proportionately increased.

Revenues

Under the provisions of the above agreement, during the first three years the minimum annual net revenue of The Anticosti Corporation from stumpage payments as above, before dividends on these Preference Shares, will be $426,000, and after November 30th, 1929, will be $498,000, against maximum annual dividend requirements of $210,000 on the Preference Shares now to be issued. These net revenues are after operating expenses, depreciation, interest and the $120,000 annual sinking fund on the first mortgage bonds of the Corporation to be outstanding upon completion of this financing.

Purchasing Companies

Combined net earnings, after operating expenses, of St. Maurice Valley Corporation, Wayagamack Pulp & Paper Company, Limited, and Port Alfred Pulp & Paper Corporation, for their last respective fiscal years, totalled $4,888,482. The operating expenses deducted before arriving at these combined net earnings include depletion at the rate of approximately one dollar per cord and the Quebec Government stumpage fee of approximately $1.40 per cord.

Combined assets of the above three Companies at the end of their last respective fiscal years, totalled $71,168,720.

Preference Shares

The authorized amount of Preference Shares of the Corporation is $6,000,000, of a par value of $100 per share, of which $3,000,000 par value are presently to be issued. Preference Shares are cumulative but non-participating.

In case six quarterly dividends shall be in arrears and unpaid, holders of Preference Shares shall have one vote for each Preference Share held by them so long as any of such dividends continue to be in arrears and unpaid, but shall not otherwise be entitled to voting rights.

Sinking Fund

By way of Sinking Fund for the Preference Shares, the Corporation will on January 1st, 1935, and annually thereafter reserve or set apart, before any dividends are declared or paid on the common or other classes of shares of the Corporation, a sum equivalent to 50% of the balance of the net earnings received by the Corporation from the sale of pulpwood during the next preceding fiscal year of the Corporation, after deducting interest and sinking fund payments on any bonds or debentures then outstanding and all dividends on the 7% Cumulative Preference Shares of the Corporation then outstanding.

We offer these Preference Shares for delivery if, as and when issued and received by us, and subject to the approval of our Counsel, at:

$97.50 per share and accrued dividend, yielding 7.18%

Wood, Gundy & Company

Limited

Toronto | 86 King Street West | Montreal
Winnipeg | Toronto | New York
London, Ont. | Telephone: Elgin 4321 | London, Eng.

The information contained in this advertisement is based upon statements and statistics on which we have relied in the purchase of these Preference Shares. We do not guarantee, but believe the statements herein made to be true.

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN.
Vice-President—HORACE T. HUNTER.
Manager—GORDON RUTLEDGE.
Managing Editor—FLOYD S. CHALMERS.
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THE FINANCIAL POST HAS THE LARGEST PAID CIRCULATION OF ANY CANADIAN FINANCIAL PAPER.

The detailed circulation statement we submit is the sworn finding of the Audit Bureau of Circulations, the recognized independent authority. THE FINANCIAL POST is the only Canadian financial paper submitting its circulation to the A.B.C. Inspection.

The Financial Post's Platform for Canada

Promote national unity.
Reduce taxation; curtail public waste.
Conserve Canadian resources for Canadians.
Develop production and manufacturing to the highest point in Canada.
Settle our vacant lands.
Encourage individual initiative.
Induce and protect investment of capital in Canada.

TORONTO, AUGUST 13, 1926

KILL OR CURE

CANADA'S two outstanding authorities on railway economics are Prof. D. A. McGibbon of the University of Alberta and Prof. W. T. Jackman, of the University of Toronto. It is significant that both of these men consider the project for the Hudson Bay Railway economically unsound. Prof. McGibbon condemned it in a public address in the West. Prof. Jackman is equally unsympathetic towards the scheme in his newly published and authoritative "Economics of Transportation."

Prof. Jackman says:

"This railway has very little advantage in the matter of distance over the lines from many of the same grain-growing sections to Port Arthur; moreover, the short and uncertain period of navigation in the bay, thus rendering freight liable to be detained for seven to nine months before navigation would be open again—these, together with the almost inevitably higher freight rates across the ocean, will tend to prevent any serious development of that route. The further construction of it has been suspended for some years past, and it is very doubtful, should it be completed to Hudson's Bay, if it would be anything but a heavy burden financially for the country to bear."

Canada's policy on the Hudson Bay Railway would seem to be to spend the money to finish the road, and in that way to find out if it is a good scheme. That is like giving a feeble patient an anaesthetic to see if his heart is strong enough to stand it.

A BIRD IN THE HAND

IN THE interests of investors and public The Financial Post has on a number of occasions joined in disapproving proposals which have been advanced by directors for the consideration of their shareholders. It therefore feels free to express the belief that, in connection with the proposed sale of the assets of the Hamilton Provident & Loan Corporation to the Huron and Erie Mortgage Corporation, the shareholders in the former institution will be well advised to accept the offer made—in their own interests as well as in the interests of the company and, in the case of Hamilton residents, without disloyalty to their city.

The directors of the Provident company have, in making their recommendation of acceptance, given the whole matter very careful consideration and their judgment should bear weight with the shareholders as against the opposition which has been launched. The three shareholders who are making counter proposals do not seem to have anything very definite to offer as compared with the proposition which has been put before the shareholders by their directors. An offer on the basis of $227—217 definitely and 10 points to cover depreciation of mortgage assets—a share for stock which was being traded on the stock exchange at $165 must surely be regarded as attractive. The directors believe that this offer provides full value for the company's assets and that this value will decline rather than advance under the conditions prevailing in the mortgage loaning field. It would seem to be justified on the part of the Huron and Erie only because of its ability to handle and absorb the business to advantage with a minimum of administration expense.

If those who oppose the directors' plan have a real counter-proposition which will benefit the shareholders they should be more specific—otherwise we believe that the shareholders would be well advised to take up the offer made.

WAR ON THE PRESS

WORKMEN'S compensation laws generally require that a person must be killed or injured in the course of his regular work to be entitled to compensation. The Workmen's Compensation Commission of Ohio made a ruling some time ago that a newspaper man is always on duty. Under this ruling, a claim has just been made by the widow of Don R. Mellett, the Canton, O., editor who was assassinated because he had carried on campaigns very effectively in his newspaper, exposing the bootlegging industry. These exposures were interfering most severely with their profits. Joseph Lilly, the Brooklyn Eagle staff correspondent, who has been conducting an investigation, says that his murder is notice to newspapermen everywhere that to interfere with the bootlegging industry's profits is to make themselves economic obstacles to be removed.

Is bootlegging, then, both across the line and in Canada, going to create a new set of martyrs? If bootlegging is going to be open warfare between the law breaker and those who oppose law-breaking, it would be better to fight it out right now by real enforcements.

TARIFF FLEXIBILITY

THERE are those who have contended that the chief difference between the Liberals and the Conservatives, in tariff matters, lies in their administrative attitude towards application of the tariff. A tariff schedule can be made to give heavy protection or light protection, accordingly as it is enforced. And while the Liberals are not, by their budgets, to be construed as opposed to a moderate tariff, nor the Conservative to be taken as standing for very high tariff, there does seem to be some difference between Liberal and Conservative administration. The Liberals use orders-in-council to only a minor degree in making the tariff flexible. The Conservatives give the tariff elasticity, as witness the invocation of the anti-dumping clause against vegetables and fruits.

Most of the complaints of Canadian industry in the past few years have related to the rigidity of the tariff, which has not been adjusted to recognize depreciated currencies, dumping and other annoyances of Canadian industry. Most of these situations could have been remedied by the Cabinet or the customs department without budget changes. The government felt, however, that the complainants had not made out a case for action.

Canada's tariff has not, however, under either Liberal or Conservative rule, as high a degree of flexibility as in the United States tariff, under which, virtually, the president is a dictator in protection.

LIGHT THE TORCH OF UNITY

CANADA is a nation of glorious traditions; a nation whose history should warm the heart and stir the blood of her sons and daughters. But Canadians, especially English-speaking Canadians, for the most, yawn at our own history. If there were more fervour in our retrospect there might be less partiality in our present inter-sectional relations.

The proposal to make a national demonstration, stimulating a spirit of unity, out of Canada's sixtieth birthday is to be commended and will, let us hope, not be allowed to die. C. Harold Hale, managing editor of the Orillia Packet and Times, one of Canada's finest town papers, makes the suggestion and it is now being actively promoted by Orillia citizens. The idea could have no more fitting birthplace. Orillia has given adequate recognition of the power that lies in history to unit a nation by raising to the memory of the great French explorer, Champlain, a monument that is one of the noblest in Canada and that was unveiled in this English-Canadian town by one of the ablest of present day French-Canadians, Hon. Rodolphe Lemieux.

If 10,000 beacon fires could send a burning message of provincial brotherhood from sea to sea and from hill-top to hill-top on July 1 next year and in the succeeding two days, it would indeed light a flame that would not easily die.

NEARING THE GOAL

HAVING questioned the soundness of having British and Canadian goods examined in the American-controlled Chicago laboratory of the Fire Underwriters' Associations before being given approval for sale in Canada, The Financial Post is glad to commend the work of the Ontario Hydro-Electric Commission in divorcing Canada from this foreign control over British and Canadian trade. The hydro system is the inspector of electrical appliances in Ontario and the findings of its laboratory in Toronto, which is in charge of W. P. Dobson as laboratory engineer, are accepted in many other parts of Canada. In this way, the hydro laboratories are contributing towards the adoption of uniform standards throughout Canada.

The Canadian Engineering Standards Association has undertaken the preparation of a Canadian Electrical Code which will set up uniform standards for installation and apparatus, and which, it is hoped, will be accepted throughout the country. Most of the provinces are co-operating in the work, and satisfactory progress is being made.

There is evidence that the ideal, set forth in our recent editorial, of divorcing Canadian and British business from a foreign laboratory, is within sight of realization. Let us hope so.

WHERE ECONOMIC LAW ENTERS

FINANCE ministers know something about that old text-book favorite, the law of diminishing returns. Ontario set out to tax the race courses and if it had deliberately aimed to tax them out of existence could hardly have done the job better, for one by one race meets are being given up. The provincial treasury is losing the revenue from race-meets that might otherwise have been held. It got its golden eggs in the form of fat taxes from a few meets but many of the golden geese that would have kept right on laying more eggs are gone.

Similarly with cigarettes. As the Dominion government raised the excise tax on cigarettes the apparent consumption declined. People actually smoked fewer cigarettes and smuggled large quantities in from the United States. When the tax was lowered, the benefit to the Dominion treasury was noticeable but the tax, tobacco men claim, is still too high to return to the Dominion government the highest possible revenue.

Other countries have similar experiences. England has raised whiskey duties to the point where consumption has been seriously affected. Whiskey consumed in a recent twelve months period totalled 12,000,000 gallons compared with 28,000,000 gallons in 1916. The distillers have asked the government to reduce the duties but the government has declined to do this unless the distillers will give a definite guarantee that revenues from the tax will not be reduced. This they are hardly prepared to do, since it is not customary for governments to make such demands, but they feel that since a lower duty would reduce retail prices, it would increase consumption sufficiently to more than offset the immediate loss in revenue.

It is possible to tax business out of existence thus leaving nothing to be taxed. A fair, moderate tax is usually a better revenue producer than an extremely high tax. As for an extremely low tax, no one likes that any better than a very high tax because it is a nuisance, nothing more.

EDITORIAL NOTES

THE DOOR of success is marked PUSH; not PULL.

* * *

CANADA is importing oil and bonds from South America.

* * *

CAN ANY one remember why the Trent Valley Canal was built?

* * *

IT IS sweet news for shareholders that Atlantic Sugar earnings are better.

* * *

SOON KICKS about grain rates on the Great Lakes will be front page stuff.

* * *

UP TO DATE the election campaign has been more lurid than lucid, says the Brantford Expositor.

* * *

THE "MARIE CELESTE" mystery is solved but the "Margaret" is still a mystery.

* * *

MARK THE name of Beaverton on your road map. It is one of the few Canadian towns where the roads in the town are better than the highways leading to it.

* * *

A TORONTO school master has become the most important Canadian figure in world finance. E. R. Peacock's success is as much a tribute to E. R. Wood, who gave him his schooling as to his own ability.

* * *

THE VANCOUVER Province editor who put a three column front page heading on the results of the High School exams, knows human beings are not interested only in murder, arson and divorce.

* * *

THOSE friends of Hon. Herbert Greenfield who felt that Alberta was losing the services of a valuable public servant when he retired from the premiership will note with satisfaction his appointment to take charge of a survey of the province for the purpose of determining areas suitable for land settlement, especially on community lines. Western immigration needs the direction of a practical hand and understanding mind and in these respects few are better fitted than Herbert Greenfield.

Fifteen Years Ago

Extracts from Files of The Financial Post.

Alfred W. Smithers, chairman, and Charles M. Hays, general manager, of Grand Trunk Pacific, report rapid construction on line.

Vancouver booms idea for railway to Peace River.

Price cutting hits asbestos producers.

James G. Bird appointed general manager, International Bank of Canada.

THE NEW INDUSTRIAL OWNERSHIP — Article 9

Could You Put Employee Goodwill as an Asset in Your Balance Sheet?

Share Ownership or Welfare Plans Should be Aimed to That End — Benefits to Company Should be Frankly Admitted

MUTUAL ADVANTAGES ARE THE FINAL TEST

By J. W. Tyson

In the working out of various stock-ownership and welfare plans with their employees, industrial and utility corporations have been regarded with a certain amount of suspicion. In most cases this suspicion has gradually disappeared as the plans have worked out to the advantage of the workers without the ill-effects which have been predicted. In many instances the company officers in charge of the plans, or who have cooperated with the employees in the working out of the ownership or welfare schemes, have been able to dissipate suspicion to a large extent by stating candidly that what was being done was for the benefit of the company apart from any advantages to the workers. Such candid statements have gone far to meet the efforts of the professional labor element to dissuade workers from entering into these plans. This attitude of organized labor is indicated by the statement of Matthew Woll, vice-president of the American Federation of Labor, that: "Some employers are using this method as a new way to tie workers to their jobs; by getting wage earners concerned for dividends they hope to make their interest in wages less aggressive; they hope that employee ownership will serve as a deterrent to movements for wage increases and strikes."

Mutual Satisfaction

Few industrial concerns or utilities have a better record for satisfactory relations with employees than the Consumers' Gas Company, of Toronto. Five employees have been with the company over 50 years and about 100 over 25 years, as shown by the following summary:

5	employees	over	50	years
6	"	"	45	"
8	"	"	40	"
18	"	"	35	"
26	"	"	30	"
36	"	"	25	"
72	"	"	20	"
120	"	"	15	"
230	"	"	10	"
375	"	"	5	"

Mutul Advantages

From the standpoint of the employing company the costs of welfare plans find justification in the increased stability of the employee roll. Only those who have to do with the organization of a modern industrial plant can appreciate the importance in dollars and cents of retaining workers who know their jobs. Large sums may be lost annually where it is necessary to bring in and train new workers. In some industries an employee may represent a labor loss for months while he is being trained to his task. To reduce the labor turnover to a minimum in all industries where labor is highly specialized is essential to profitable operation and substantial sums spent on welfare plans are well invested if they result in the curtailing of losses in this direction. As regards share ownership by workers the advantages are mutual. The company may surely expect to gain some benefits from increased interest on the part of the employees who hold shares after co-operating to provide labor with that ownership in industry which has so long been the demand of the agitators. As for the workers there can surely be no sound argument against their investing in the concern in which they are employed, particularly when the terms are made especially attractive—as they usually are.

Practically all these plans are designed chiefly to retain employees. Not only does the corporation benefit by such arrangements but there is being established those relationships which insure provision for old age. That is one of the important advantages from the standpoint of the workers.

Advantages of Frankness

Employers have found that frankness in relations with their workers has its advantages. If the point is made that stock ownership, or bonus, group insurance or other welfare plans are being carried out as a matter of securing eventual advantages in dollars and cents for the company, the labor agitators who decry these plans as subterfuges to secure loyalty of the workers to their own disadvantage are disarmed. Of course the point can also be made effectually that while these plans are a matter of good business for the company they also entail real benefits for the workers. That there are worth-while mutual advantages can be readily proven if the plan is a sound one.

Among the Canadian companies Imperial Oil has probably had a longer and more varied experience with its workers than any other; the cooperative arrangements include plant councils, group insurance, accident insurance, pensions and an investment trust in which the company adds to the savings of the workers and the whole is used for the purchase of company shares which are distributed to the workers at the end of a set period of years. Throughout all the relations in connection with these various plans the company has taken the course of frankly telling the workers that whatever the benefits to them it was expected that there would be as great or greater advantages to the company in the reduction of cost of labor turnover, increased interest of the employees in the company's activities, etc.

Goodwill As a Real Asset

Employee goodwill is an important asset of any big corporation and this is being more and more recognized as the need for co-operation between workers in attaining efficient production is realized under modern manufacturing conditions. In the case of one American company—the Nashville, Chattanooga and St. Louis railway—an effort has been made to capitalize as a balance sheet item the value of that intangible known as employee goodwill. At a hearing before the Interstate Commerce commission on the subject of the capital value of its properties the railway requested allowance for goodwill as a going concern and asked that it be capitalized at 10, per cent. of the tangible value of the physical operating properties. The company's position is outlined by an official as follows:

Great numbers of our employees are simply following their families in working for us. In many communities every man in certain families has worked for our company and is doing so. Except for short periods during the Civil War and the Great War, we have been able to earn a reasonable profit every year. We uniformly put a cery substantial portion of this back into the property. We enjoy a reputation for efficient, safe, courteous service.

Under these conditions it occurs to me that the value of our properties is something substantially more than the mere value of the "bare bones" of the plant. In other words, good-will, going-concern, established patronage, efficient personnel, add, as a matter of fact, a substantial value, a value that financiers recognize and a value that would be recognized in the purchase and sale of the property.

An officer of the Metropolitan Life testified before the Valuation Section of the Interstate Commerce Commission to the effect that good industrial relations between an employer and his employees as evidenced by "low rate of turnover, length of service and employee zeal" reflected a condition of obvious advantage not only in reducing operating expenses but in promoting good public relations, maintaining a steady supply of labor and thus contributing to the permanent success of the business.

Whether or not employee good-will can be carried in the balance sheet of a company there can be no doubt of its substantial value in relation to production costs and, therefore, to net profits; and any reasonable expenditure which returns direct or indirect benefits to the workers themselves—and will result in that goodwill—would seem to be justified. As to whether it shall be distribution of shares as an investment, group insurance, pensions, medical service or recreation facilities is a matter for the executive of each individual corporation or the owners of each individual business to decide; there is no general rule to be applied in all cases further than the desirability of keeping workers interested in their duties, reasonably satisfied that their efforts are meeting with just rewards and a measure of appreciation and assured that application and efficiency will take care of their futures.

J. Strathearn Hay

Member

Toronto Stock Exchange

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LONDON, E.C. 2, ENG.
Gresham House—Old Broad St.

Current Comments

ANOTHER TAX ON BUSINESS

Brantford Expositor. — The mails are now replete with election literature, franked from the House of Commons, Ottawa, and for both parties. This is one case where the postoffice department should be freed from a non-paying burden. There is no reason why either the government or the opposition should obtain postoffice service free for campaign purposes, forcing business as a whole to support the service.

Scum Not Needed

Vancouver Province: We would like to remind the leaders of both political parties to go slow in their campaign of vilification and personalities. Election day is still six weeks off, and already we have responsible statesmen on both sides flinging mud and ugly names about like street gamins in a slum fight.

It is no compliment to the honest and earnest voters of Canada for the party leaders to assume, as some of them appear to be doing, that the electors will be willing to go to the polls with convictions based on better than the froth and scum of political turmoil.

As Others See Us

ON CABINET CHOOSING

St. John, N. B., Globe: The Financial Post puts into a few words the general Canadian view of the Cabinet. The Post thinks, however, that Meighen did as well as he could in the circumstances, and suggests that Canada will not be able to get "men of ability" to undertake cabinet work until we change our methods and adopt the United States plan of allowing the premier to choose his associates regardless of their ability to get re-elected. There is something to be said for that plan and yet our way gave this country that greatest of Canadian finance ministers, Hon. W. S. Fielding, while the American way was the cause of much of the world's disappointment over America's failure to co-operate more heartily in the solution of post-war problems.

Investment Consultation

IF you are in doubt about the safe investment of your money (whether it be a small or large amount) do not hesitate to consult us.

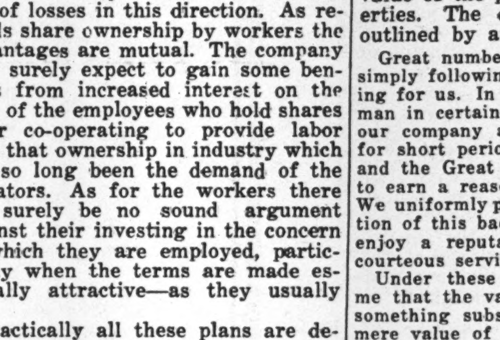
By so doing you incur no expense whatever, and place yourself under no obligation to us.

Correspondence Invited

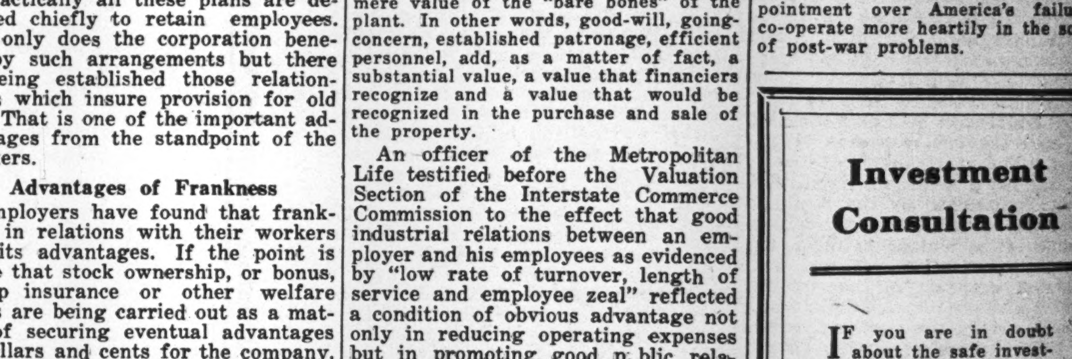
R. A. DALY & CO.
BANK OF TORONTO BUILDING
TORONTO
Members Toronto Stock Exchange

Industrial Expansion Emphasizes Need for Employee Goodwill

In these contrasting pictures of the first and present plants of the Ford Company of Canada there is effectively indicated the desirability of employee good-will and co-operation in modern industry. It is not difficult to understand the need for a smooth-working labor organization in this big plant as compared with the go-as-you-please method of doing things back in the days of the "one-horse" factory.



The First Canadian Plant



The Ford Plant To-day at Ford City, Ontario

Cosmos Imperial Mills, Limited

7% Sinking Fund Cumulative Preference Stock
(Par Value $100 per Share)

Dividends payable quarterly 15th of November, February, May and August.

BUSINESS—Cosmos Imperial Mills, Ltd., owns and operates two modern heavy cotton duck manufacturing plants, which, until their consolidation in 1924, under the name of Cosmos Imperial Mills, Limited, were known as Imperial Cotton Co., Ltd., Hamilton, Ont. (established in 1900), and Cosmos Cotton Company, Ltd., Yarmouth, N.S. (established in 1883 as the Yarmouth Duck & Yarn Co., Ltd.) The Company manufactures the heavier grades of cotton duck used for vessel sails, mechanical belting and hose, railway car roofing, binder canvases, tarpaulins, tents, awnings, filters and cotton paper dryers.

ASSETS—Total Net Assets $3,404,882.64
or, after making provision for first mortgage gold bonds 2,424,882.64
Which is $161 for each share of Preference Stock.

EARNINGS—After providing for bond interest, depreciation and Government taxes:
10½-year average, from January 1st, 1916 .... $246,257.00
(2.34 times preference dividend requirement)
YEAR ENDING DECEMBER 31st, 1925 .... 291,428.28
(2.77 times preference dividend requirement and at the rate of $3.72 per share on the common stock)
Six months ending June 30th, 1926 .... $155,281.89

PRICE ON APPLICATION

A. E. AMES & CO.
LIMITED

Investment Securities

53 KING STREET W. - TORONTO
TRANSPORTATION BLDG., MONTREAL
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11 WALL STREET, - NEW YORK
GRESHAM HOUSE, OLD BROAD ST., LONDON, ENG.

Business Established 1889

Look Before You Leap

A great many inquiries come to The Financial Post from readers who have already bought shares in various enterprises of a decidedly speculative character, to say the very best for them. Many of these investors (?) have been rushed into dubious propositions by clever salesmen. Despite some persisting doubt created by their commen sense they hope that The Financial Post will be able to tell them that they have displayed remarkable acumen and are on their way to make a lot of easy money—just as the salesman said. Unfortunately, in practically every case, it is necessary to tell these people, who are really looking for a miracle rather than an investment, that nothing short of the former will ever even get them their money back.

Naturally the readers find the disillusionment a sad experience. And the editor of this department realizes that the service rendered in revealing the unpleasant facts does not make friends for the paper. Such people are usually inclined to justify their own foolishness by putting the blame on the bearer of bad news.

The moral is: "Look before you leap"; inquire before investing. The Financial Post much prefers to guard its readers from mistakes and to help them invest their money wisely than to perform the thankless task of dispelling pleasing illusions of big and easy profits.

POST-Scripts

DRAINING a lake to find the gold at the bottom, is the experiment being tried out near Quesnel, in the British Columbia mining district. At Devil's Canyon, near Barkerville, a company from the United States are attempting to drain the lake at the head of the canyon by a syphoning system, in order to recover the gold in the lake bottom.

Two million dollars is said to have been taken from the bedrock above the lake shore, and old-timers tell of Chinamen later scooping gold out of the lake with long-handled shovels.

Twice before, attempts have been made to drain the lake, which is 100 feet in depth in the centre. Tunnels were run in from the lower levels, but each time, just as the lake was about to be tapped, disaster overtook the workmen. A cave-in the first time barely permitted the miners on the "face" to escape, and on the second occasion some years later two men were overcome by foul air in the tunnel shortly after putting off a blast which was to tap the water above.

After the syphon, which empties itself about 200 feet distant over the side of the canyon, has lowered the lake as far as possible, drill holes will be put down to tap the old tunnel.

THE rather novel experiment in administration being tried in the case of the estate of the late R. J. Fleming, who died without a will, has aroused considerable interest in investment circles. The plan is to incorporate a company to operate the estate; the formal document expresses it, "the whole estate is being sold to the company for the purpose of preserving the frozen assets for the benefit of the family."

Opinions among lawyers and executors are that, in view of the circumstances, the plan should have its advantages. All questions of titles in connection with the various real estate properties will be much simplified. It will be able to make a very careful search to prove all titles when the properties are turned over to the company, but transfers from the company can be made very simply and without the usually complicated and often lengthy process of making searches and getting the signatures of all those interested. Besides, it is believed that under the company there will be provided a greater opportunity for conserving the properties or for realizing on them to the best advantage, as compared with any effort to divide the estate immediately.

THERE has been a great deal of discussion in recent years in merchandising circles as to the advantages or disadvantages of the automobile versus trains in the transportation of the traveling salesman. There is probably as yet no definite answer to this question because experiences may vary in different sections of the country and in relation to different kinds of merchandise. However, the experience of one Canadian manufacturing concern in relation to its field in the Maritime Provinces is interesting.

This firm has tried out the experiment of providing its Maritime representative with an automobile. Using the car, he has been able to cover his field three times as compared with two trips using the train. This is due to the fact that at many isolated points a great deal of delay is occasioned in making train connections. Not only has the traveler been able to make three trips over his field, as compared with two, but he has been able to call at a greater number of places on each trip. The results have been altogether gratifying, and the business on each of the three trips by automobile has been about equal to that obtained on the trips by train. This means an increase of over 30 per cent. in business. Further the customers are better satisfied by seeing the traveler three times a year instead of twice. It gives them an opportunity to keep their supplies in better shape in relation to consuming demand.

On the point of expense, also, this company's experience favors the motor car. It has been found that the three trips by automobile cost no more than the two trips by train in the same period of time.

Selected Securities for Investment in August

Our August Investment list is something more than a mere summary of prices and yields.

In concise form this list summarizes the essential information on well diversified groups of government, public utility and industrial bonds and preferred stocks.

The requirements of any investment can be met from this list and it will be helpful to you whether you are an investor of long experience or an investor contemplating a first purchase.

Income returns range from about 4½% to about 7½%.

Write or Telephone for Investment List No. 4.

Greenshields & Co
17 St. John St., Montreal
also Mount Royal Hotel Building
TORONTO 14 King Street E.
OTTAWA 46 Elgin Street
QUEBEC 80 St. Peter Street

Your Investments

Questions of general interest submitted by subscribers of The Financial Post will be answered in this column, in which case only initials will be used. Other inquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Dominion Alloy Steel

Inquirer.—Has any financial statement been issued by Dominion Alloy Steel Corporation?

So far no financial statement has been issued by Dominion Alloy Steel Corporation for its fiscal year, which we learn ended February 28, 1926. We are informed that a statement will be available in September, and that a shareholders' meeting will then be called to consider the statement. When the statement is published, we will naturally review it in The Financial Post.

Northwestern Mutual Fire

Reader, Beauceville.—Please advise if in your opinion the Northwestern Mutual Fire Association, of Seattle, is a responsible company and if they are reliable and known to be in good financial position.

The Northwestern Mutual Fire Association is licensed under Dominion Insurance laws and may be regarded as safe to insure with. It has a long record of reliability and as it is under the jurisdiction of the Dominion Department of Insurance, you may consider it as a financially sound organization.

Acme Oils

Ottawa Reader.—I hold shares in Acme Oils, bought in 1914. I have been told that there was a deal whereby the company was taken over by Alberta Pacific Consolidated. Is there any market for the shares?

Acme Oils Ltd. shares are in good standing and the most recent record of sales shows transactions at 10 cents. These shares are transferable into shares of Alberta Pacific Consolidated and the shares of the latter are selling at 25 cents. We would make the point that at the present time the share market for Calgary oil stocks is very much depressed. Both issues in April were selling at much higher levels.

Ontario Bakeries

Reader, North Gower. — I would be obliged for your opinion regarding the recent issue of Ontario Bakeries bonds, bearing 6 per cent. interest, and I believe sold through the Municipal Bankers Corporation. Have they any connection with Canada Bread merger and do you think they are a safe investment for a business man?

We would consider the bonds of Ontario Bakeries to be a reasonably well protected investment for a business man. The company has no connection with the Canada Bread merger, but is a merger of eleven distinct bakeries throughout the province. Bakery mergers in Canada, have, on the whole, been quite successful, although some of them have had management difficulties to overcome in their early days.

Ontario Bakeries include a good group of companies, and the bond issue seems to have the ordinary provisions for the security of investors.

Dominion Glass

Reader, British Columbia. — I own some Dominion Glass, bought at an average price of $105. Can you give me some information on the outlook for the stock increasing in value?

Dominion Glass has had an unsatisfactory career of recent years. Very keen competition has developed for the available business in glass and glassware in Canada, and Dominion Glass has not been able to increase its sales substantially. There was quite a boom in the stock about two or three years ago, when tales were told of the enormous profits that were being made. These evidently did not materialize and the stock has slumped to about 91, and the factors that are likely to affect the market are so obscure that any early advance can hardly be predicted with certainty. We would think, though, that the stock would give a good account of itself over a term of two or three years, providing stable business conditions can be established in Canada and the company given similar stability in regard to the tariff. The directors are: Sir G. Gordon, president; Wm. McMaster, vice-president. Hon. L. Guest, Ralph King, T. B. Macaulay, A. H. Grier, H. D. Herdt, A. Kingman, F. W. Ross, Sir Wm. Wiseman.

The Big Four

Inquirer, Montreal.—We have a number of clients who are considering investments in stocks of the leading Canadian banks, and would appreciate an expression of opinion on the present market position, and possibility of future appreciation in value of the stocks of the Bank of Montreal, Royal Bank, Bank of Commerce and Bank of Nova Scotia.

On their record stocks of the Bank of Montreal, the Royal Bank, Bank of Commerce and the Bank of Nova Scotia may be regarded as high class investments. The strength of these institutions is well indicated in their annual reports. The Bank of Montreal is Canada's "Bank of England." The Royal is headed by one of the country's most enterprising and aggressive business men and the same may be said for the Bank of Commerce, while from the standpoint of reserves the Bank of Nova Scotia is strongest of the four. These banks are all so strong that the double liability clause in relation to their shares may be dismissed. Of course, as these institutions reflect business conditions, market values must be expected to vary from time to time. Also there will be certain variations as reflecting investment values in relation to interest return.

Municipal Bankers Bonds

Inquirer, Wingham.—I have been considering investing a little money in Municipal Bankers' bonds and would like to know if you consider them safe for a twenty-year investment. I have considerable money invested at the present time, but would appreciate your opinion on the above.

We believe that you would find an investment in Municipal Bankers' bonds quite satisfactory as a means of securing a somewhat higher interest return, particularly if, as you intimate, you already have investments in government or high-grade municipal bonds.

The bonds of the Municipal Bankers are virtually real estate bonds, the company depositing security with a trust company on a dollar for dollar basis in the shape of mortgages, principally on Toronto real estate.

Two Strong Houses

Subscriber, Quebec.—As a subscriber I am taking the liberty of asking your opinion of Harris, Forbes & Co., and also Wood, Gundy & Co., as investment bankers. Do you consider them both reliable, and which of the two do you look upon as being the more conservative?

There are no investment houses doing business in Canada that we could recommend more highly than Harris, Forbes & Co., and Wood, Gundy & Co. You would be perfectly safe in doing business with either of these companies, both from the standpoint of financial stability and reliability as to statements made. We would hardly care to distinguish between them excepting to point out that Wood, Gundy & Co. is a Canadian firm, with its head office in Toronto; while Harris, Forbes & Co. is an American house which has become well established in the Canadian field.

Duluth Superior

Banker, Ontario.—A customer of mine holds 20 shares of Duluth-Superior stock, bought at 32½ and he has asked me to get an opinion on the advisability of selling out at present price, about 29, or to hold for an increase. A recent statement shows earnings decreased considerably and this is the reason for the inquiry.

No decision has yet been forthcoming from the Minnesota Warehouse Commission regarding the rate of fares to be authorized for the Duluth-Superior Traction Co. It had been hoped that an increase could be made effective August 1st and that hope has now been deferred to Sept. 1st. A satisfactory settlement would probably be reflected in a higher market for the stock. The engineer representing the City of Duluth in his evidence before the Railway Commission admitted it would take a rate of 6.78 cents to yield 7½ per cent. on the appraised value. The appraised value of the Duluth Street Railway alone is over $5,000,000, so that there should be a satisfactory return on the common stock not counting Superior earnings when the proper rate of fare is collected. At the same time conditions in the north-west country tributary to Minnesota are not satisfactory and an increase in the normal growth of business can hardly be expected.

The directors are: A. E. Ames, chairman; A. M. Robertson, president; L. Mendenhall, H. Lowry, H. F. Salyards, C. R. Fridley, F. H. Deacon, L. B. Zacher, H. Warren, vice-president and general manager.

Price Brothers Preferred

Subscrbier, Outremont.—I would like some information on Price Bros. preferred stock which was underwritten by the Royal Securities Corporation around the end of 1924. Do you consider this stock a reliable investment and not speculative?

While there has been some fear of over-production in the Canadian paper industry in view of the fact that a number of new plants and new equipment are to come into operation during the remaining months of the present year, the securities of the various paper companies have recently been in better demand with prosperous conditions in the United States and growing evidence of a market there for Canada's increasing output. This is particularly the case in regard to Price Brothers and some of the other companies whose future seems assured even in the face of keen competition. The preferred shares of this company are well protected as to security and its position as a cheap producer with large reserves of raw materials and low cost water power should reasonably insure the payment of preferred dividends. The fact that the common stock is now paying a dividend and has this year advanced from 57 to above 70 would seem to indicate the comparatively strong position of the preferred as an industrial stock. However, you must appreciate that practically all industrial stocks have their speculative features, being dependent for dividends on profits after the payment of fixed charges.

Too Much Diversification

Young Investor.—I am enclosing a list of bonds and preferred stocks which I hold. I shall in the near future have insurance policies of $15,000 paying annual premium of about $340. I wish to set aside suitable bonds to cover this amount and believe that my list should be changed accordingly. Perhaps in my list there are certain industrial bonds which might be exchanged for common stocks of the type of C. P. R., Montreal Trams and Shawinigan Power, after some of the others have been traded for government and municipal bonds.

Generally speaking would say that you have a very well selected list of investments. It is a question, however, if you have not perhaps gone in too much for diversification. While diversification is very desirable, it should not be carried to the extent of involving too many industries or too many companies which must be followed. If you take a particular interest in following the affairs of these companies there may be no danger in holding securities in such a large number but you will probably find it to your advantage as time goes on to reduce the number of concerns in which you are interested.

To the end of creating a fund to take care of your insurance without having to give further thought to it we believe it would be advisable to invest a sufficient fund in government or municipal bonds to provide an income which can be definitely earmarked for insurance purposes. Having done this, it might be possible to then increase your holdings of such stocks as you mention to equalize the income.

These suggestions are made not with the idea that it is necessary to act on them at once, or to make any sacrifices but rather as a policy to be followed as favorable opportunities occur. It might be advisable to place the matter in the hands of a reliable investment house, the adjustment to be worked out when favorable opportunities present themselves.

"The Land and the Buildings thereon"

Bonds secured by first mortgage on city real estate and revenue-producing buildings afford an unusual degree of safety.

Our current issue of "Investment Recommendations" lists several Real Estate First Mortgage Bonds, offered at prices to yield from 6% to 6.60%. Write for a copy today.

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More Power for the Senate

PLANS to mend or end the Senate of Canada have appeared in rapid succession since the very time when the Senate was created by the Confederation. We still have the Senate; it is held in high regard in some quarters, notably in Quebec and among those who believe in a system of checks upon hasty legislation; it is condemned, in whole or in part, by many others. Canada is divided on the question of continuing a second chamber on the present plan.

The most unfortunate feature of the recent history of the upper house has been its declining power as a lawmaking body in recent years. Year by year fewer bills have been initiated in the Senate. Its existence has been almost ignored by government leaders until the last few days of each session, when it has been inundated with bills to which it has been expected to give the rubber stamp of approval. Fortunately the Senate has not always accepted this role of official dummy for the government of the day and has saved Canada from much ill-conceived legislation. The government that will recognize what a force for good the Senate could be, and would give it a larger part in shaping legislation and in speeding up the work of the lower house would do Canada a good turn.

Prof. Robert A. Mackay's recent book on "The Unreformed Senate of Canada" offers some suggestions for Senate reform, but is, in the main, an impartial examination of the problem of a second house for Canada. Its publication is welcomed and it is to be hoped that it will lead to saner, because better informed, analysis of this problem by publicists, statesmen and students of political institutions in Canada. One can not read it without being impressed with the fact that, in the Senate, Canada has a protective institution of great value that could be made a legislative institution of even greater value if it were but given deserved recognition by successive governments.

The Unreformed Senate of Canada, by Robert A. Mackay, assistant professor of government, Cornell University. Oxford University Press, S. B. Gundy, Toronto, $4.50.

ELECTRICAL REFRIGERATION

and its investment possibilities

We have prepared for distribution a very complete analysis of the Canadian market possibilities and the outlook for this gigantic new industry, which is still in its infancy.

Electric refrigeration will make fortunes for those who keep pace with development and we suggest that you send for a copy of this survey at once.

Walter T. Smith & Co.
LIMITED
INVESTMENT BANKERS
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The Association *of* Consulting Engineers *of* Canada

Incorporated, Federal Charter, 1925.

An organized body of prominent, established members of the engineering profession of Canada. Each member is rendering a valuable service to individuals and companies on construction and development work in Canada. They are also making thorough investigations for investment protection.

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H. G. Acres — Niagara Falls
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Arthur Surveyer & Co. — 511 *St. Catherine St. W.* — Montreal
W. G. Swan — 629 *Birks Building* — Vancouver
Lesslie R. Thomson & Co. — 10 *Cathcart St.* — Montreal

Address: 1021 New Birks Bldg., Montreal.

News of the Investment Market

HOLDER OF BONDS IS CREDITOR BUT SHAREHOLDER OWNS

Difference Between Bonds and Stocks Told for Investors

IF A friend of yours comes to you and says:

"Look here; things look as though they are going to boom. I am going to get into the building game. Do you want to come in with me? You don't have to do any work; just put up some capital along with mine and share in the big profit. I'll put up $10,000 and you put up $10,000. We'll build four houses and either sell them or rent them; but either way we'll make big money."

And if you put your $10,000 you have become a partner in the business.

But you might do it another way. You would say:

"Yes, things look bright, but I don't want to take a chance. There might be a slump, or the houses might cost more than we expect, or something else might happen, and instead of making a nice profit we might go in off the deep end. But I'll tell you what I'll do. You build the houses and take all the risks (as well as all the big profits if there are any) and I'll give you a loan of $10,000 on the houses. You give me a mortgage on the houses as security and you can have my $10,000."

You would not then be a partner in the business at all. You would be a very well secured creditor.

Now there is the difference between buying stocks and buying bonds. When you buy shares of stock in a company you are becoming a partner in the business, and every share of your stock represents exactly the same proportion of the business as does every other share. According to the number of shares you own, you are interested in its success or failure, its losses or profits.

When you buy the bonds of a company you are not becoming a partner at all. You are loaning money to the company, and the company is giving you security in the form of a mortgage on its properties. The difference between this mortgage and the one you held of the houses that were built, is that this is a big mortgage, all wrapped up in small parcels.

When one acquires a security, he becomes associated with a business enterprise, either as creditor or partner. If he selects bonds he is a creditor. If he elects to make a stock investment he becomes a partner in the business.

Investing in Bonds

The bond is a loan made under stated terms. When the loan falls due (at the maturity of the loan) it is paid off, and the association of the investor with the company ceases. An investor should decide what bonds to buy, in very much the same manner that he would make a loan to a friend or a business associate; namely, he must determine the ability of the borrower to pay off the loan (when due), and comply with other conditions under which the loan is made.

A share of stock, on the other hand, is not a loan, and consequently there is no obligation on the part of the corporation which issues it to refund the money given up in exchange for the stock or to pay any income on it. Stock represents a partnership interest in the business. If there are 100,000 shares of stock of the corporation outstanding, and the investor buys 100 shares, he acquires a one-thousandth interest. When any earnings are distributed to the partners (the stockholders), his share is a one-thousandth part of the distribution. If the corporation's net assets increase in value, this certificate represents a one-thousandth interest in the increment.

Perpetual Interest in Business

Unlike a bond, which is paid off in full at a stated time, a stock investment is a perpetual interest in the business. The only way that an investor can get his money out of a stock investment is to sell his interest in the corporation to someone else. Naturally, the value of this stock interest is determined by the prosperity of the corporation. Whether any dividends are distributed to stock-holders or not, the more money a corporation makes and the more assurance that it will continue to make money in the future, the more valuable a partnership interest in the corporation is likely to be.

The only reason why the corporation owns and operates its property is to acquire a net profit from the operations. The value of the property to the corporation (or as a matter of fact to any other corporation that might wish to buy the property) is determined by the amount of net profit that the property can earn. In certain periods, this property will earn larger profits than in others. Then it has a greater value. The reverse is also true, of course; when the property earns less it is worth less.

The bonds are a fixed obligation. If the corporation owes its bondholders $1,000,000, then that is the amount of the debt; whether the value of the property is high or low, it still owes this fixed amount.

Partners Divide the Balance

The interest of the partners (or the stockholders) is the balance that remains after providing for the fixed senior lien of the bondholders. As the corporation grows more prosperous, the value of its shares of stock increases proportionately. When an investor selects a stock, therefore, he should select a stock of a corporation which has a fairly definite prospect of increasing its net profits. In that case, the investor can always find someone else to sell his interest to at the price he paid or at a higher price, should he wish to convert his shares for cash. Conversely, the investor should avoid buying stocks when business in general is at the peak of its prosperity unless the individual corporation has good prospects of going ahead when the trend of general business conditions turns downward. These simple rules govern the stock investment.

Points in Buying Bonds

The selection of a bond should be made from a different point of view. A bond is essentially a fixed value. If the loan is well made, it will be paid off at maturity. At regular intervals, in the meantime, it pays a fixed rate of income. Under normal conditions, it will not pay more than this fixed amount irrespective of how much profit the borrowing corporation makes in any year. That is not to say, of course, that the bond holder has no interest whatsoever in the progress or decline of the corporation which issues the bonds. If a borrowing company declines so far that some doubt of its ability to meet the service of its bonds arises, naturally, the sale value of the bond will be impaired.

Harold A. Somerville Now Partner in Mackellar Firm

HAROLD A. SOMERVILLE.

Harold A. Somerville, with Clare A. Monkhouse, has been admitted to general partnership in the firm of S. R. Mackellar & Co.

Mr. Somerville has been connected the past six and a half years with the sales department of A. E. Ames & Co., and is a son of the late George A. Somerville, formerly managing director of the Manufacturers Life Insurance Co., and a brother of W. H. Somerville, general manager of the Mutual Life Assurance Co. at Waterloo, Ontario.

Mr. Monkhouse was with John Stark & Co. before becoming connected with S. R. Mackellar & Co.

When is a Canadian Company Not by Law a "Canadian Company"?

Point of some interest in connection with investment offerings came up the other day, when an advertising organization took exception to the use of the phrase:

"These are a legal investment for Canadian insurance companies and Canadian fire insurance companies," which appeared on the offering of a well known issue.

It was pointed out that the bonds were not trustee investments under Ontario laws and that therefore Ontario insurance companies could not invest in the bonds. The contention was that the word "Canadian" in the advertisement was misleading and that the advertisement should have been phrased to exclude Ontario companies.

Explanation offered by the advertiser is to the effect that this is the usual phraseology used to indicate that bonds comply with the requirements of Dominion laws governing "Canadian companies," the latter being the phrase used in Dominion legislation to distinguish a company operating under Dominion license from a "provincial company" operating under provincial license.

B. C. LAW AS AMERICAN IDEAL

VANCOUVER.—At the convention of the Pacific Northwest Real Estate Association at La Grande, Oregon, the British Columbia licensing act was offered as the best guide for a new law to be uniform throughout the Northwestern States for the protection of land buyers and sellers from unscrupulous brokers.

Drawings of French Bonds

Only those issues that have been sold in Canada are included.

Credit Nationale

Bonds 5 per cent., issue of 1920.

Drawing of July, 1926.

No. 552398 repayable at 1,000,000 francs; No. 1012838 repayable at 500,000 francs; Nos. 1756035, 5704681, repayable at 200,000 francs; Nos. 4006835, 5713144, 6292503 repayable at 100,000 francs.

Nos. 1203857, 2251442, 4081446, 5908311, 6216670, 6965405 are repayable each at 50,000 francs.

Except for the above those included in series following are repayable at 500 francs:

552301—400	1012801—900	1203801—900
1756001—100	2251401—500	4006801—900
4081401—500	5493401—500	5704601—700
5713101—200	5908301—400	6004601—700
6216601—700	6292501—600	6691101—200
6965401—500	7635801—900.	

Repayable August, 1926, and December 15, 1926.

Will Offer Bonds of New Retail Centre, St. James Bldg.

Work is proceeding on the new St. James building in Montreal. This is a three-story commercial and office building being erected in the heart of the retail shopping district, in front of St. James United Church. In the past the property has been church grounds and has created a gap in the store line of St. Catherine Street.

Construction of the building is being financed by the issuance of bonds, which will soon be offered.

The foundations of the new building have just been completed, and work has commenced on the first floor, which is to consist entirely of stores. The building will be fireproof, of reinforced concrete throughout, with floors of hardened cement. The exterior of the upper storys is to be of brick to correspond with the purple stone of St. James United Church.

A large Gothic arch will surmount the approach of the church from St. Catherine Street, extending to the height of two storys, the passage way being 25 feet wide and finished in ornamental cement stone to harmonize with the rest of the scheme.

The upper floor, immediately over this entrance, has been leased for the central offices of the United States in Canada, and will be specially fitted out for that purpose, including board and committee rooms and offices for the executive staff.

CROSS & CO. BROADEN OUT

Clifton C. Cross & Co., investment bankers, of Regina, have extended their business to include general stock trading and brokerage. They have a direct wire from coast to coast and are correspondents for Logan & Bryan, New York, and Clark and Martin, Winnipeg.

For Town Planning

Vancouver Province: There are people in favor of town planning, and there are people against it. But it is invariably the case that it is those who are most familiar with town planning and its methods and its results, who are most enthusiastic about it.

RAILWAY EARNINGS

Canadian Pacific

Week-end	1926	1925	Change
Aug. 7 ...	$3,673,000	$3,262,000	+ $411,000

Canadian National

Week-end	1926	1925	Change
July 31 ...	$7,408,639	$7,059,027	+ $349,612
Week end.: Aug. 7	$4,953,163	$4,529,220	+ $423,943

Anticosti Preferred Yields 7.18% at Offering Price

Following the rapid absorption of $6,000,000 of bonds of the Anticosti Corporation, chiefly by large investing institutions, the preferred stock is now being offered to the public. The offering price of 97.50 makes the yield to the public 7.18 per cent. No bonus of common stock is being given, but the yield must be regarded as fully satisfactory for an issue that has been assured by three of the largest pulp and paper companies in Canada of earnings more than double the dividend requirements.

According to the contract for the supply of pulpwood from the corporation to the three parent companies, minimum annual revenues after bond interest and sinking fund, but before preference share dividends, will be $426,000 for the first three years and $498,000 thereafter, compared with preference share dividends of 210,000. Their net revenues are provided by agreement between the corporation and St. Maurice Valley Corporation, Wayagamack Pulp & Paper Co., Ltd., and Port Alfred Pulp & Paper Corporation.

The corporation will evidently operate under strong leadership, the directors being A. J. Brown, K.C., (chairman of the board); Geo. M. McKee, (president), president Port Alfred Pulp & Paper Corporation; C. R. Whitehead (vice-president), president Wayagamack Pulp & Paper Co.; Francois Faure, director, St. Maurice Valley Corporation; F. I. Ritchie, manager, Wayagamack Pulp & Paper Co.; Sir Herbert S. Holt and J. H. Gundy.

$3,000,000
The Anticosti Corporation
7% Sinking Fund Cumulative Preferred Shares.

Company. Owns Anticosti Island and will supply pulp wood under contract to St. Maurice Valley Corp., Wayagamack Pulp & Paper Co. and Port Alfred Pulp & Paper Corp.

Assets. Island contains 15,000,000 cords of wood, estimated value $15,000,000

Earnings. Available for preference dividends estimated at $426,000 for first three years and $498,000 thereafter.

Sinking Fund. Beginning January 1, 1935, 50% of annual net earnings, after preferred dividends. Shares redeemable at 105.

Capitalization:	Authorized	Outstanding
First Mortgage Bonds	$10,000,000	$6,000,000
7% cumulative preference shares	6,000,000	3,000,000
Common shares (no par value)	60,000 shs.	60,000 shs.

Offered August, 1926, by Wood, Gundy & Co., 36 King Street W., Toronto, at 97.50 yielding 7.18%.

Canada Biscuit Merger Issues $600,000 More Bonds

Recent absorption by the Canada Biscuit Co., the new "cracker trust" as they are calling it on the street, of the business of D. S. Perrin & Co., is followed by the offering of an additional block of bonds. A further $600,000 of the 6½ per cent. first mortgage issue, due in 1946 is being offered by Greenshields & Co. and the Dominion Securities Corporation, at par, to yield the investor 6½ per cent.

Canada Biscuit Co., now controls seven biscuit and allied companies, these being McCormick Manufacturing Co., London; Paulin-Chambers Co., Winnipeg; J. A. Marven, Ltd., Moncton; Montreal Biscuit Co., Montreal; D. S. Perrin & Co., London; and the North West Biscuit Co. and North West Mill and Feed Co., Edmonton. Approximately two-thirds of the equity in these companies has been purchased with securities ranking after the bond issue.

$600,000
Canada Biscuit Company, Limited
1st Mortgage 6½% Sinking Fund Gold Bonds
Dated May 1, 1926. Due May 1, 1946

Company. Merger of seven biscuit and allied companies.

Assets. Fixed assets appraised at $4,734,640. Working capital $1,961,538, making total net assets $6,696,178.

Earnings. Year to December 31, 1925, net earnings available for bond interest, depreciation and taxes, $5,081,301.

Purpose of Issue. To acquire additional properties and provide working capital.

Sinking Fund. Sufficient to redeem 75% of bonds by maturity, beginning May 1, 1928.

Offered. First offered May, 1926. This $600,000 block offered August, 1926, by Greenshields & Co., 17 St. John St., Montreal, and Dominion Securities Corporation, 26 King St. E., Toronto, at par, yielding 6½ per cent.

THE NATIONAL CITY COMPANY — CANADA

Sound Values
for your Safety Deposit Box

The following high-grade Bonds which have been selected from our current list offer an excellent opportunity for sound investment in readily marketable securities:—

	Due	Price	Yield%
Dominion of Canada 5½'s..........	1934	103.35	5.01
Dominion of Canada Guaranteed 5's.. (Issued by Canadian National Railways)	1954	101.75	4.87
*†Govt. of Argentine (External) 6's...	1958	99.50	6.03
*†Imperial Japanese Govt. (External) 4's	1931	89.75	6.05
*†Republic of Haiti (External) 6's.... (U.S.A. Customs Administration)	1953	97.50	6.20
Province of Ontario 5's............	1948	101.75	4.87
†City of Montreal 5's..............	1943	102.00	4.83
Canadian Pacific Rly. Co. 4½'s.....	1944	94.00	5.00
†Duke Price Power Co. Ltd. 6's......	1966	103.25	5.80
*†Montreal Tramway Co. 5's.........	1941	98.00	5.83
†Gatineau Power Co. Debentures 6's.	1941	99.50	6.05
Paton Manufacturing Co. Ltd. 6's..	1953	102.00	5.85

* Listed on New York Stock Exchange.
† Principal and Interest payable in New York Funds.

The above Bonds are offered subject to prior sale and change in price. Complete information regarding any issue and a copy of the August edition of our publication "Investment Securities" will be forwarded upon request.

Write our nearest office.

The National City Company
Limited
Head Office—St. James and St. Peter Streets—Montreal
10 King Street East TORONTO | 204 Blackburn Building OTTAWA | 71 St. Peter Street QUEBEC
150

DOMINION POWER
PREFERRED AND COMMON
Bought and Sold
Browning, Harris, Denman & Co.
LIMITED
Investment Bankers,
31 Main Street E., HAMILTON
Toronto Private Line Adel. 8866.
Offices at London and Belleville.

BONDS FOR INVESTMENT
HOUSSER, WOOD & CO.
LIMITED
Investment Bankers
ROYAL BANK BLDG. TORONTO

EXECUTORS, TRUSTEES, ADMINISTRATORS
Guardians, Transfer Agents, Bond Mortgage Trustees
Savings Department
Real Estate Department
CHARTERED TRUST & Executor Company
46 King St. W., Toronto

We recommend
PUBLIC UTILITY BONDS
Send for our Selected List
Browne, Urquhart & Co.
Limited,
180 St. James St. Montreal
Tel. Main 8011*.

We offer
City of Edmonton 5½% Bonds
Due Nov. 1st, 1945
Interest payable May 1st and Nov. 1st
Principal and interest payable Canada and New York
Price: 101⅜ and interest yielding 5.39%
McDonagh, Somers & Co.
Government and Municipal Bonds
Dominion Bank Bldg.
TORONTO

INVESTMENT TRUST
5½% BONDS
An absolutely safe and profitable form of investment.
Send for particulars.
G.A.STIMSON & CO.
LIMITED EST. 1883
The Oldest Bond House in Canada
300 Bay Street, Toronto

FOUNDED [illegible]
BONDS for SAFE INVESTMENT
GOVERNMENT, Municipal Public Utility and Industrial Bonds.
Selected with careful regard to safety, dependable income and marketability.
Write for List.
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Investment Securities
160 St. James St. Montreal | 330 Bay St. Toronto
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F. H. BLAKELY
Investment Securities
Northern Ontario Bldg.
Toronto

QUEBEC APARTMENTS LIMITED
6½% 1st Mortgage Bonds 1940
Inquiries Solicited
Ernest Savard, Limited
Investment Bankers
171 St. James St., Montreal, Harbor 5258-9
71 St. Peter St., Quebec, Phone 2-6486.

GOVERNMENT and MUNICIPAL BONDS
W. L. McKINNON & Co.
GOVERNMENT AND MUNICIPAL BONDS
McKinnon Bldg. TORONTO

NEW ISSUES
Gatineau Power Co.
1st Mortgage 5% Bonds
Due 1956
Price: 94 and interest to yield 5.40%

Gatineau Power Co.
6% Gold Debentures
Due 1941
Price: 99.50 and interest to yield 6.05%

The Anticosti Corporation
1st Mortgage 6½% Bonds
Due 1941
Price: at market to yield about 6½%

The Anticosti Corporation
7% Cum. Preference Shares
Price: 97.50 and dividend to yield 7.18%

We recommend these securities as sound and profitable investments
Particulars on request
RENE-T. LECLERC
Incorporated
Montreal:- 160, St. James St.
Quebec:- 71, St. Peter St.
(ESTABLISHED 1901)
E200

WILLIAMS, PARTRIDGE & HODGSON LIMITED
Investment Bankers
171 St. James St. MONTREAL

ROBERTS, CAMERON & CO.
LIMITED
Canadian Government and Municipal Bonds.
Listed Stocks.
Adelaide 3456-7-8.
Northern Ontario Bldg., TORONTO.

MURRAY & COMPANY
Specializing in
Government Municipal and Corporation Bonds
METROPOLITAN BLDG.
ADELAIDE 6077-78 TORONTO

P. H. SKELLY & COMPANY
LIMITED
INVESTMENT SECURITIES
71½ SPARKS ST.
OTTAWA, ONT.
QUEEN 6840 QUEEN 6841

We offer
$200,000
Asbestos Corporation
Limited
6% General Mortgage 30-Year Sinking Fund Bonds

ASBESTOS CORPORATION LIMITED includes the following Companies:—
ASBESTOS CORP. OF CAN. LTD.
CONSOLIDATED ASBESTOS, LTD.
FEDERAL ASBESTOS, LIMITED.
THETFORD VIMY, LIMITED.
MAPLE LEAF ASB. CORP. LTD.
ASBESTOS MINES, LIMITED.
BLACK L. ASB. & CHROME, LTD.

The present offering is a portion of an issue of $4,784,135 General Mortgage Bonds, guaranteed by a mortgage on all the assets of the Company, valued at over $20,000,000, and subject only to a prior issue of $3,000,000 of First Mortgage Bonds.

Price to yield 7%
Full particulars on request.

ESTABLISHED 1910
CREDIT-CANADA
Limitée
Investment Bankers
120 St. James St., Montreal
MAIN 4191*

Municipal and Provincial Finance

BUDGET CONTROL IN CIVIC FINANCE EFFICIENCY AID

Deeper Sense of Public Responsibility is Needed

In his recent address on public and municipal finance, J. J. Smith, deputy minister of municipal affairs for Saskatchewan, made a plea for greater public interest in governmental affairs.

"The subject," said Mr. Smith, "falls into three main divisions: public expenditure, which represents the financial needs of the state; public revenues, which are the sources of the funds that are expended in the conduct of public business; financial administration, which deals with the determining of the expenditures and income, as well as with the collecting, handling and disbursement of the public funds.

"Public finance, like economics, deals with the satisfaction of human wants. As the social instincts of man develop they join together to acquire the satisfaction of certain wants collectively, rather than individually. Government is a form of social organization which has developed because it provides a means of supplying certain services more efficiently and economically than these could be supplied for each individual by himself. There has been marked development in the number and quality of the services rendered by governmental organization. A century ago there was no street lighting, no policing, no public education and no municipal water supply. The tendency to-day is for the individual to lean more and more heavily on government.

Public Expenditures Increase

"Public expenditures show a remarkable increase in recent years. This increase is seen in education, in care for defectives and delinquents, in social insurance and pensions of various kinds. It is also seen in the increased services rendered by urban municipalities for fire protection, water supply, sewage and sanitation. Another cause of increase in public expenditure has been rising prices. In order that governments may perform the functions for which they are created they require the use of commodities and the services of men. Prices and wages have increased 70 per cent. since the year 1912. The total expenditures of all Canadian provinces in 1901 was $14,146,059 or $2.65 per head; in 1921 this had risen to $112,417,862, or $12.85 per head, an increase in the twenty years of 384.9 per cent."

Public Revenues in Saskatchewan

Mr. Smith then gave a table, being a comparison of the revenues received by the cities of Saskatchewan from taxation and from licenses and sundry revenues. This shows the total revenue from taxation in these cities to be $2,885,271.25, and the revenue from licenses and sundry revenues at $489,059.71. "In these figures local improvement assessments," said Mr. Smith, "have been included with revenue from taxation as the amounts are shown on the tax notices and collected with the taxes. Licenses and sundry revenues in Saskatoon and North Battleford are quite high because these cities have adopted the system of business licenses instead of the business tax on the basis of floor space. These revenues are also increased considerably in Regina, Saskatoon and Moose Jaw because of the amusement tax, and another factor in increasing the licensing and sundry revenues in these cities is the amount received from surplus earnings of the sinking fund.

Financial Administration

"We now come to the third division of the subject—financial administration. Financial administration deals with the determining of the expenditures and income as well as with the collecting, handling and disbursement of the public funds. An effective means of co-ordination and control of revenue and expenditure is the budget.

"There are certain essentials of the budget system and the first of these is the centralization of financial responsibility. In the British parliament this responsibility is centred in the chancellor of the exchequer, in the Dominion parliament in the minister of finance, and in the provinces in the provincial treasurer. In the municipality it may be imposed upon the finance committee, or upon the council as a whole. The second essential of the budget system is that the responsible budget-making official presents for consideration at one time a comprehensive proposal for financing the government for a definite period. This period is usually one year. There are three steps in the process of making a budget. The first of these is the formulation of the budget; this includes the preparation of the estimates and the consideration and review of the estimates. The second step is the consideration and adoption of the budget by parliament or by the council of the municipality. The third step is the execution and enforcement of the budget by appropriate accounting procedure and by safeguarding restrictions.

"It should be our aim," said Mr. Smith in conclusion, "to arouse in the people a deeper sense of responsibility toward the government, whether it be national, provincial or municipal. Too few of us realize that we owe very much more to our country than the country owes to us. If we can arouse our citizens to a fuller realization of their duties and responsibilities in this regard we shall have contributed something toward a more intelligent understanding of some of the problems of government."

Tenders and By-laws

August—Village of l'Enfant Jesus, Que.—$26,000, 5½ per cent. bonds, redeemable in 20 years.

August—School Commission of Ste. Philomene, Que.—$8,000 bonds.

August 21—Village of Lefroy—$5,000, 5 per cent. 20-year school debentures. W. L. Black, Clerk of Innisfil, Craigville, Ont.

This Week's Bond Sales

TOWNSHIP OF TECK ISSUE

Gairdner & Company have been awarded an issue of $30,000 Township of Teck, 5½%, 15-instalment bonds at a price of 102.372, or on a basis of 5.15%. The bids were.

Gairdner & Co.	102.372
Royal Securities Corp.	102.08
Dyment, Anderson & Co.	102.08
McLeod, Young, Weir & Co.	101.67
Wood, Gundy & Co.	101.60
H. B. Robinson & Co.	101.72
Browning, Harris	100.68

TOWN OF MIDLAND

Gairdner & Company were the successful tenderers for an issue of $10,000 Town of Midland, 5% 10-instalment bonds on a bid of 99.17, a cost basis of 5.17%. This issue is guaranteed by the County of Simcoe. The bids were:

Gairdner & Co.	99.17
Municipal Bankers Corp.	99.10
Royal Securities Corp.	99.01
Dyment, Anderson & Co.	99.00
C. H. Burgess & Co.	98.80
H. R. Bain & Co.	96.40

UNITED COUNTIES BONDS

An issue of $50,000 United Counties of Stormont, Dundas and Glengarry 5%, 20 equal annual instalment debentures has been awarded to Matthews & Co., at a price of 99.71, a cost basis of approximately 5.03%. Following are the bids:

Matthews & Co.	99.71
Municipal Bankers Corp.	99.65
Bell, Gouinlock & Co.	99.63
Hanson Bros.	99.61
H. R. Bain & Co.	99.60
Dominion Securities Corp.	99.587
Dyment, Anderson & Co.	99.54
C. H. Burgess & Co.	99.34
Gairdner & Co.	99.272
Macneill, Graham & Co.	99.272
Wood, Gundy & Co.	99.20
McLeod, Young, Weir & Co.	99.18

UNLISTED BONDS

Abitibi 6% 1940	102¾	..
Algoma Steel 6% 1962	..	29½
Belding 5% 1936	89	..
Belgo Can. Paper 6% 1943	100¼	100¾
Burns, P & Co. 6½% 1943	103⅛	104
Can. National Rly, 5% 1954	100⅞	101⅝
Calgary Brewing 5% 1942	83	..
Can. Steamship Lines 7% 1942	104¾	..
Can. Pacific Rly. 5% 1934	99¾	100⅛
Can. Pacific Rly, 5½% 1944	93½	94
Can. Steel Foundries 6% 1936	102	..
Dom. Textile 6% 1949	106¾	..
Frontenac Brewery 6% 1951	98	..
H. Smith Paper, 7% 1941	100½	100⅝
Laurentide Power 5% 1946	100	..
Laurentian Power 6% 1936	101	101½
Prov. of Ontario 5% 1948	101	102
Ontario Pulp 6% 1931	106¾	..
Price Bros. 6% 1943	103¼	103¾
Quebec Power 6% 1953	102¾	103½
Winnipeg Elec. 6% 1954	95¾	96⅝
St. Maurice Power 6½% 1953	108	108¾
Jam. Pub. Service 6½% 1943	102½	103½
Span. River P. 8% 1941	106	107

TORONTO PAYS OFF ALL DEBENTURES AS THEY MATURE

Operations of Sinking Fund and Annual Levies Do This

Looking ahead ten years, Toronto's sinking fund will be able to retire all maturing obligations, it is recorded by Finance Commissioner George H. Ross, who reports that "the turnover of the fund is now so great that, far from being embarrassed from time to time by heavy demands upon it to retire city obligations, there will be a very considerable amount available each year for re-investment."

Mr. Ross says:

"Investments in the sinking fund are restricted by statute to securities authorized as legal investments for trust funds. Since establishment, the fund has been operated on a 3 per cent. earning basis. The annual levies, by experience and periodic actuarial investigation, have proved sufficient to retire all debt at maturity. Toronto never renews or refunds any of its obligations, but on the contrary retires all debt at or before maturity.

"Investments held by the sinking fund consist entirely of City of Toronto debentures. These are purchased direct from the city, the fund thus earning an additional profit equal to the underwriting profits and charges. Although the actuarial requirements demand only 3 per cent., the fund, through profitable investments in the past, is now earning over 5 per cent.

"A surplus over actuarial requirements is therefore shown annually. On December 31, 1924, this surplus amounted to $1,105,626.36. During the year excess earnings of $749,090.47 increased this figure to $1,854,716.83. A part of this amount ($1,531,809.86) was applied to the redemption before maturity of certain outstanding debts, so that the surplus as at December 31, 1925, appeared as $322,906.97.

"It has always been the city's policy to apply such surplus earnings towards the cancellation, before maturity, of debt incurred for non-revenue-producing services. During 1925, $6,318,068 of such debt was cancelled before maturity, and since 1919 almost $12,000,000 of debt has been retired in this way. Undoubtedly this constitutes a record in municipal finance and reflects favorably on the condition of the sinking fund. This operation was entirely apart from the regular annual redemptions at maturity, which amounted to $4,832,062 in 1925.

"Against a straight term debt of $64,935,199, total assets (consisting of cash and City of Toronto bonds) were $24,859,533 on December 31, 1925. Actuarial requirements at this date to retire all sinking fund bonds at maturity amounted to $24,536,626. In brief, for every $1,000 of sinking fund debt outstanding at the end of 1925, there is $383 in the fund. This showing is exceptional, in view of the fact that only 20 per cent. of the debt matures prior to 1940.

"The major portion of the sinking fund investments are in serial bonds, $15,220,000, or 64 per cent. of these securities, mature within the decade. The city has found serial bonds ideally suited for such investments. The annual maturities of these bonds, added to the net interest earnings of the fund and the regular statutory levies for the sinking fund, insure adequate provision to meet all maturing obligations without forcing the fund to liquidate its long term investments at unseasonable times. This is a practical application in the sinking fund of the accepted banking practice of "turn over" of funds.

"Included in the tax levy year is a sufficient sum to cover principal and interest charges on the outstanding debt. Annual debt charges on the existing funded debt as at December 31, 1925, are $5,864,087 on account of principal and $7,815,993 for interest, or a total of $13,680,080. Part of this amount, $5,394,720, will be raised by taxation, while the balance of $8,285,360 will be cared for by the city's self supporting utilities and service.

"Straight term (sinking fund) bonds outstanding December 31, 1925, amounted to $64,935,199, against which there was a sinking fund accumulation of $24,536,626, making a net sinking fund debt of $40,398,573.

"Serial bonds outstanding totalled over $99,016,586. These bonds mature and are redeemed annually. Provision for their retirement is made in each year's tax rate."

WHY BRITISH MANUFACTURERS FAIL IN CANADIAN MARKETS

(Continued from page 1)

electrical equipment is superior or inferior to standards laid down in this country, but the fact remains that all electrical equipment sold in Canada or the United States must adhere to these specifications, and it would be grossly unfair to manufacturers on this continent to allow an outsider certain privileges to which they themselves are not entitled. The English manufacturers were highly proud of their products and perhaps justifiedly so. They claimed many superiorities over the Canadian product, and even went so far as to say that many Canadian wholesalers had expressed themselves as being much more favorably impressed with the English product than the domestic equipment. The English manufacturers were therefore disinclined to alter their products to meet our specifications, preferring to argue the merits of the case with those who were in no authority to alter those specifications.

Asked what they planned doing about the matter, the reply came that an appeal was being made for support to the Canadian Manufacturers' Association, and also to the Canadian public in general, the feeling being that they were being asked to change "an obviously superior product" merely at the whim of a few American officials "who did not know what they were talking about." It apparently had not occurred to these manufacturers that the C. M. A. is primarily interested in furthering the interests of domestic manufacturers and, secondly, that the average Canadian is not at all interested whether an electrical appliance in his home is of British or Canadian manufacture as long as it satisfactorily performs the duty for which it is designed. It is doubtful if any more indirect way of securing a solution to the problem could have been following than by the means outlined. The plan shows an utter lack of comprehension of the difficulty involved, and there are cases where British manufacturers have dilly-dallied for years, spent money in large sums making trips to this country, and appointing agents, rather than do the one thing that would give them easy access to this market, viz., suit their product to the requirements of this country.

This leads one to wonder if the British manufacturer applies the same intelligent analysis and aggression in connection with his export trade as he does in his home market.

The British are slow to change their methods and are inclined to the opinion that their products are the acme of perfection, and should be universally regarded as such. This idea can be carried too far, and it is possible that its continuation in the last few years while industrialists of other countries have been going aggressively after export trade is the reason why British products have not received a wider acceptance abroad. Contrast the attitude of the British manufacturers of electrical equipment mentioned with that of a German manufacturer of similar equipment, who recently came to Canada seeking approval for a certain electrical fixture. He was told that his product was unsuitable for certain reasons. Instead of debating the merits of the specifications he returned to Germany and made up his fixture along lines which would secure approval in this market, and is here. He has since found a market for it here. He has accomplished the whole operation within less time than the British manufacturers referred to, have taken to debate the merits of our specifications.

Canada and the United States represent a tremendous market for British products, but as long as a limited number of British manufacturers continue to regard Canada merely as a "colony" which is not entitled to its own opinion, they will have difficulty securing a broad market for their product in this country.

BOND MOVEMENTS OF THE WEEK

Week Ending Aug. 10

Bonds—	Int. Rate	Due	Yield	Range. High	1925 Low	Range, 1926 High	Range, 1926 Low	Ask	Latest Bid	Price High	Low
Asbestos G. M.	6	1956	7.47	..	...	84⅝	81¾	...	82	82½	82
Can. Canners	6	1950	6.16	96½	90	98¼	94	...	...	98	...
Can. Cons. Rubber	6	1946	5.91	101	95	102	101	102	...	101.00	...
Canada Cement	6	1929	5.18	103¼	100	102	101½	102½	...	102¼	...
Dominion Coal	5	1940	6.60	90	84	89½	85	...	85½	85½	...
Dominion Iron	5	1929	...	94	86	92	70½	...	72½	73	...
Montreal Transit "A"	5	1955	5.41	98	92¾	95	92½	94	...	94	93¼
Ontario Steel	6	1943	5.83	..	...	101¾	100¾	...	...	101¾	...
Penman's	5	1826	5.00	99	98	100	99	100	...	100	...
Wayagamack	6	1951	6.44	98¾	84¼	94¾	91¾	...	94¾	94½	94
Quebec Ry.	5	1939	5.60	98	89¾	95	91⅞	94½	94¼	94½	...
War Loan	5	1931	4.77	102.65	101.10	102.40	101.00	101.15	101.00	101.00	101.00
Do.	5	1937	4.59	104.95	103.80	104.65	103.30	103.85	103.50	103.50	103.30
Victory Loan	5½	1927	4.68	103.15	101.70	101.75	100.40	100.80	100.45	100.85	100.30
Do.	5½	1933	4.78	107.00	105.10	106.80	104.05	104.40	104.15	104.35	104.05
Do.	5½	1934	5.00	104.80	103.20	104.10	102.95	103.25	103.05	103.35	102.95
Do.	5½	1937	4.65	110.00	108.15	109.30	107.35	107.55	107.40	107.75	107.40
Do. Renewal	5½	1927	4.98	102.95	100.80	101.95	100.25	100.80	100.40	100.55	100.25
Do. Renewal	5½	1932	5.01	104.20	102.60	103.40	102.00	102.70	102.35	102.40	102.20
Do. Refund	5	1928	4.86	104.45	100.15	101.30	100.00	100.45	100.10	100.25	100.00
Do. Refund	4½	1040	4.84	97.25	92.00	96.70	95.60	96.25	96.10	96.55	96.15
Do. Refund	5	1943	4.84	102.95	101.15	102.20	101.15	101.85	101.50	101.70	-01.50
Do. Refund	4½	1944	4.81	97.65	96.20	97.15	95.80	96.55	96.20	96.25	96.05
Do. Refund	4½	1946	4.77	..	....	96.45	95.65	96.45	96.25	96.45	96.10

WEEKLY RECORD OF CANADIAN FINANCING

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS.

Municipal

Place	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Yield
Teck Township	Aug.	Gairdner & Co.	5½%	1941	$30,000	102.372	5 15
Stormont, Dundas, Glengarry	Aug.	Matthews & Co.	5%	1946	50,000	99.71	5.03
Midland	Aug.	Gairdner & Co.	5%	1936	10,000	99.17	5.17
Westtbourne R. M.	Aug.	John McGregor & Co.	6%	1956	10,000	110.22	5.12
St. Lambert	Aug.	A. E. Ames & Co.	5%	30-yr. ser.	303,000	....	....

OFFERINGS OF CORPORATION AND FOREIGN SECURITIES

Bond Issues—	Date issued	Offered by	Rate	Maturity	Amount	Price	Yield
West India Products Corp.	Aug.	Credit Canada	7%	1931	$300,000	100.	7 00
Canada Biscuit Co.	Aug.	Greenshields & Co., and Dom. Secs. Corp.	6½%	1946	600,000	100	6½%
				(With bonus of 10 shs. of common)			
Corporation							
Stock Issues—							
Anticosti Corp.	Aug.	Wood, Gundy & Co.	7%	Pref.	$3,000,000	97.50	7.18
Pacific Coast Fish & Cold Storage, Vancouver	Aug.		8%	Pref.	125,000	100	
				(With bonus of $20 common stock)			

MUIRHEAD'S Cafeterias

—an outstanding success

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The Toronto Hydro-Electric System

The Fifteenth Annual Report of the

Toronto Electric Commissioners—1925

Toronto, May 15th, 1926

To His Worship the Mayor and Members of the Council of the Corporation of the City of Toronto:

Gentlemen,—

Your Commissioners beg to submit their Fifteenth Annual Report on the operations of the Toronto Hydro-Electric System for the year ended 31st December, 1925, accompanied by the Revenue Account and Balance Sheet and subsidiary statements.

The accounts have been audited by Mr. S. C. Scott, C.A., City Auditor of the Corporation of the City of Toronto.

The operations for the year 1925 have resulted as follows:

Gross Income	$8,827,372.85
Cost of electric current and expenses of operation and management	6,305,984.38
Surplus of income on operating account and reserve re operations in adjoining municipalities	2,521,388.47
Interest, Depreciation, Taxes, Sinking Funds, Debenture retirals	2,374,005.96
Net income carried to reserve for stabilization of rates	81,382.51

The net funded debt at 31st December, 1925, less Sinking Funds in the City Treasurer's hands, amounted to the sum of $18,678,737.66, all of which will be promptly paid at maturity by the annual retirals of the serial debentures and by the operation of the sinking funds applicable to the long-term debentures. Care has been taken to insure that not a dollar has been charged to Capital Account that should have been charged to Revenue. The current liabilities and amounts due to the City Treasurer but not yet payable amounted to $1,953,441.26. Reserves as shown on the Balance Sheet amounted to $13,439,704.29, while the total assets were $34,071,883.21.

The System has earned Sinking Fund and funds for the redemption of serial debentures amounting to $4,500,262.34, and since the maintenance of the System's plant has been paid for out of Revenue, and Replacements have been provided for by the establishment of a Depreciation Reserve, it is evident that the Surplus and Sinking Funds together, amounting in all to $5,686,304.57, constitute the net earnings of the enterprise over and above all operating, interest and depreciation charges for the period since the System commenced operation.

Had the enterprise been conducted as a commercial corporation with share Capital, instead of being charged with Debenture Capital, subject to redemption, the net earnings for the year 1925 would have been shown at the amount of $1,958,371.72, that being the sum of interest and Sinking Fund appropriations and the net surplus; or the equivalent of a Dividend at the rate of approximately 8.84% upon the average amount of cash capital invested therein.

At this, the close of fourteen years of successful operation, it may be of interest to call attention to the remarkable growth of the undertaking administered by your Commissioners.

At December 31st, 1912, the end of the first complete calendar year of operation, the total Assets of the System were $4,369,158.38, the total Liabilities were $4,283,993.77, and the Reserves and Surplus amounted to $85,164.61. The Revenue for the year was $726,763.55.

At December 31st, 1916, the end of the fiscal year of operation, the total Assets were $8,882,171.67, the total Liabilities $7,474,594.50, and the Reserves and Surplus amounted to $1,407,577.17. The Revenue for the year was $1,706,177.00.

At December 31st, 1921, the end of the tenth year of operation, the total Assets were $15,186,386.90, the total Liabilities were $10,140,229.48, and the Reserves and Surplus amounted to $5,046,157.42. The Revenue for the year was $3,622,605.23.

At December 31st, 1925, as pointed out above, the total Assets are $34,071,883.21, the total Liabilities are $20,632,178.92, and the Reserves and Surplus are $13,439,704.29. The Revenue for the year was $8,827,372.85.

The figures, year by year, are tabulated below:—

	Total Assets	Total Liabilities	Reserves & Surplus	Annual Revenue
1912	$ 4,369,158.38	$ 4,283,993.77	$ 85,164.61	$ 726,763.55
1913	6,492,065.18	6,245,417.41	246,647.77	1,159,339.71
1914	7,321,974.51	6,865,757.80	456,216.71	1,501,291.47
1915	7,816,810.50	6,718,778.68	1,098,031.82	1,620,187.60
1916	8,882,171.67	7,474,594.50	1,407,577.17	1,706,177.00
1917	10,317,530.57	8,537,088.38	1,780,442.19	2,049,382.98
1918	10,628,232.58	8,296,320.92	2,331,911.66	2,353,443.93
1919	11,591,794.30	8,528,928.70	3,062,865.60	2,504,758.31
1920	13,041,248.96	8,958,150.01	4,083,098.95	3,150,846.57
1921	15,186,386.90	10,140,229.48	5,046,157.42	3,622,605.23
1922	17,802,701.64	11,541,548.61	6,261,153.03	4,040,753.73
*1923	28,523,758.40	18,767,589.96	9,756,168.44	7,353,228.48
1924	32,975,271.42	20,739,922.69	12,235,348.73	8,476,671.69
1925	34,071,883.21	20,632,178.92	13,439,704.29	8,827,327.85

*Includes Local Distribution System of Toronto and Niagara Power Company taken over by Toronto Hydro-Electric System.

There are certain features in regard to this growth which merit attention. In the first place, the growth of the System, though phenomenally rapid, has been comparatively steady. It would be approximately true to say that Assets, Liabilities, Reserves and Surplus, and the Annual Revenue have somewhat more than doubled in each of the three periods under consideration.

Also, the proportion which Revenue bears to Capital has tended to increase. The enterprise has not grown in magnitude and impressiveness merely by the lavish expenditure of borrowed funds. In 1912, each dollar of Capital provided by the sale of City of Toronto debentures produced a revenue of 19.9c; in 1916, a revenue of 24.9c; in 1921, a revenue of 36.6c, and in 1925, a revenue of 39.2.

Nor has the revenue achieved these increased proportions by the easy process of raising rates. The overalls average revenue per Kilowatt Hour sold to Toronto users of electricity in 1912 was 2.398c; in 1916 (due to abnormal war conditions) was 1.371c; in 1921, was 2.021c; in 1925, was 1.762c.

The reduction in the overall price per Kilowatt Hour sold is not due to a reduction in the cost of power to the System. The price paid by your Commissioners for power delivered at the Terminal Station in

1912 was $18.00 per H.P.	1921 was $18.54 per H.P.
1916 was $14.54 per H.P.	1925 was $26.10 per H.P.

This result has not been achieved by your Commissioners at the expense of the System's employes. The Commissioners fully recognize that the success of the System is more dependent upon the efficiency of its employes than upon any other factor, and it is their belief that the way in which to obtain efficiency is to recognize it and reward it. The one and only consideration which has been permitted to influence your Commissioners in questions of individual remuneration and promotion has been the consideration of merit; the general level of remuneration has necessarily been affected by the great increase in the cost of living which has taken place since 1914. In the year 1925 the average annual wages of all the employes of the System were 185 per cent. of the average annual wages paid to employes of the System in the year 1913.

The third important element which enters into the cost of the System's operation is the cost of plant. This is affected by two main elements, the first being the general level of cost of materials, and the other the cost of money. The cost of materials in general increased to a marked extent during the War and the years immediately following, and while recessions have recently taken place, the index figure is still some 51% in excess of what it was in 1914. The cost of money, though not so high as it was during the War, is still somewhat above the pre-war level. The price yields of debentures sold for the extension of the System have been as follows:—

In 1912 the basis was 4.84%	In 1916 the basis was 5.02%
In 1921 the basis was 6.15%	In 1925 the basis was 4.95%

To sum the matter up, in the years during which your Commissioners have administered the Systems, while the unit cost of practically every item of expense entering into the operations of the System has been materially increased, all such increases have been met and overcome by efficient and economical management, with the result that the unit cost of power to the System's customers is appreciably lower to-day than it was before the War.

The growth during the period between 1921 and 1925 is somewhat greater in proportion than that in the other two periods, due principally to the purchase of the local distribution plant of the Toronto and Niagara Power Company at a figure of $6,376,295.00, which was materially in excess of its physical value; the absorption and renovation of this plant has not only imposed upon your Commissioners many perplexing problems of detail, but has also increased their already large responsibility.

When the Act which constituted the Toronto Electric Commissioners was passed in the year 1911, the money available for the construction of the System amounted to $2,244,362.60, and the contract with the Hydro-Electric Power Commission of Ontario provided for a minimum supply of 6,000 H.P. It is probable that in 1911 the suggestion would have been regarded as absurd that in fourteen years the System would have Assets of over thirty-four million dollars, Reserves of over thirteen million dollars, and an Annual Revenue approaching nine million dollars.

OPERATIONS OF 1925

The electrical energy purchased from the Hydro-Electric Power Commission of Ontario during the year cost $4,088,697.73, or 46.3 per cent. of the gross income, against $4,061,201.62 for the preceding year or 47.8 per cent. of the gross income of that year. At the beginning of the year the governing rate was $24.00 per horse power. After the close of the year's operation, however, the Provincial Commission advised that the cost of the power supplied during the year was $157,384.27 greater than had been already charged, and this, with certain corrections in the amount of power, brought the net cost for the year to $4,088,697.73, or 26.10 per horse power.

OPERATING EXPENSES

The expenses of operation and management amounted to $2,217,286.65, or 25.1 per cent. of the gross income, against $2,149,890.62 for the preceding year, or 25.4 per cent. of the gross income of that year.

DEATH OF SIR ADAM BECK

The outstanding event which your Commissioners have, with regret, to record in their report for the year, is the death of Honorable Sir Adam Beck, which occurred on the 15th August, 1925. The late Sir Adam Beck was a member of the first Hydro-Electric Commission of Investigation, which was set up by the municipalities in the year 1903, with Mr. E. W. B. Snyder as Chairman; Mr. P. W. Ellis, of Toronto, as Vice-Chairman and Treasurer, and Mr. W. F. Cockshutt, M.P., of Brantford, and Professor R. A. Fessenden, as his fellow-members. Following the report of this Commission in March, 1906, a second Commission was appointed by the Government of the late Sir James Whitney, and of this Commission the Honorable Adam Beck was Chairman, with Messrs. George Pattison, of Preston, and P. W. Ellis, of Toronto, as his associates. The investigations of these two Commissions, together with the whole volume of public opinion which had now been thoroughly awakened and informed upon the question of electric power, resulted in the creation by Statute in May, 1906, of the present Hydro-Electric Power Commission of Ontario, of which Sir Adam Beck was Chairman from the date of its formation until his death.

It is needless to chronicle the steps by which Sir Adam Beck, the leader and central figure of the great Hydro movement, built it up into an enterprise unparalleled in its magnitude. It is for those who are left to carry on the work in the spirit of public service, which brought success to his efforts.

On behalf of the City of Toronto, the largest of the municipal partners in the Hydro movement, purchasing as it does approximately 50% of the total power sold by the Commission to the municipalities of the Niagara System, your Commissioners cordially welcome to the Chairmanship of the Hydro-Electric Power Commission of Ontario the Honorable Mr. C. A. McGrath, whose appointment was announced on September 12th. The Government of Ontario, after the death of Sir Adam Beck, responded to the request of the municipalities that a representatives should be placed upon the Commission by the appointment of Mr. C. Alfred Maguire, former Mayor of the City of Toronto and President of the Ontario Municipal Electric Association. Mr. Maguire's appointment is also welcomed by your Commissioners, and they are pleased to note that the Honorable Mr. J. R. Cooke is continued as the third member of the Commission.

RATES

In their Annual Report for the year 1924, your Commissioners expressed doubt as to whether the existing rates would be entirely sufficient to meet Operating and Fixed Charges and Cost of Power during the year 1925, and pointed out that it might be necessary at the end of the year to make an appropriation from the System's Reserve for the stabilization of rates. It now affords your Commissioners extreme gratification to be able to report that notwithstanding the adverse conditions which have existed during the year, the Revenue has been sufficient to meet all obligations of the System with a surplus which, while amounting to the substantial sum of $81,382.51, is, in fact, extremely narrow, representing, as it does, less than 1% of the System's Revenue for the year.

As regards the prospects for the year 1926, it may be stated that the margin of Revenue over expenses is still narrow, and it is too early to make any confident forecast, though conditions appear to be improving, and it is hoped that they will continue to do so for the balance of the year.

SEPARATION OF EAST YORK TOWNSHIP

On July 1st, 1925, the Township of East York, in which your Commissioners had built lines to serve approximately 5,140 customers, organized a Hydro-Electric System of its own, and purchased the plant within its boundaries. It is obvious that the withdrawal from the System's lines of 5,140 customers at one time could have no other result than to adversely affect the System's operating account, since it was equivalent to a decrease of business done without a corresponding decrease of overhead expenses. This accounts for the smallness of the increase in the number of meters in use shown in the table given below.

Continuing, as it will, to purchase its power at a favorable rate which results from its nearness to the City of Toronto, your Commissioners wish the East York Township Hydro System all success in its future operations.

PHYSICAI. GROWTH OF THE SYSTEM

The following table indicates the physical growth of the System from the date of commencement of operations until the end of the year 1925.

End of	Meters in Use	Street Lights in Use	Kilowatt Hours Sold	Connected Load, H.P.	Peak Load H.P.
1912	13,858	33,824	35,176,548	46,296	17,198
1913	24,999	38,944	65,052,951	68,461	22,520
1914	33,976	40,596	82,927,015	90,162	28,753
1915	39,284	43,411	109,501,981	111,413	40,180
1916	44,013	45,212	139,003,756	125,840	47,165
1917	50,461	45,841	171,691,213	169,818	56,662
*1918	53,598	29,527	230,413,561	184,930	60,154
*1919	63,762	45,091	180,609,938	176,351	59,618
*1920	71,447	45,472	214,908,545	194,800	62,339
1921	81,923	46,126	221,384,558	227,600	76,378
†1922A	93,065	47,479	265,583,040	265,398	103,878
1922B	122,872	47,479	338,103,673	374,803	140,393
1923	132,125	48,672	392,367,546	451,898	155,741
‡1924	141,459	49,855	485,708,476	542,074	191,803
‡1925	143,648	50,895	512,784,492	584,182	194,512

* Owing to the shortage of power during 1918, 1919 and 1920, it was necessary to stop canvassing for new business and to curtail street lighting.

† 1922A shows Toronto Hydro-Electric System alone.

1922B shows Toronto Hydro-Electric System, plus Toronto and Niagara Power Company's System (approximately) as at the beginning of 1923.

‡ Includes Toronto Transportation Commission bulk supply.

TORONTO HYDRO-ELECTRIC SYSTEM
BALANCE SHEET AS AT 31st DECEMBER, 1925

ASSETS

FIXED ASSETS		
Lands, Buildings, Transmission System, Sub-station Equipment and Feeder System Distribution System, Municipal Street Lighting System, Line Transformers, Meter Equipment and Devices, General Office, Stores Department, Utility Equipment and Miscellaneous Equipment, Miscellaneous Construction and Equipment Expenditures, Plant Purchased, Exhibition Construction and Equipment	$21,202,308.63	
Purchase Price (which includes intangible as well as tangible Assets) of the Distribution System of the Toronto and Niagara Power Company after adjustments have been made for additions to Plant, Stores used and Plant disposed of	6,104,151.13	
Leasehold Premises and Improvements	83,536.69	
Debenture Discount and Expenses (Less Debenture Premium)	880,969.02	
		$28,270,965.47
Sinking Fund Equity in Hydro-Electric Power Commission Accounts		3,043,476.05
CURRENT ASSETS		
Stores and Appliances on hand, less Reserve for Contingencies	920,418.75	
Accounts Receivable (including Orders in Progress) less Reserve for Doubtful Accounts	1,175,111.56	
Capital Funds on Hand	504,687.50	
Cash on Hand and in Bank	128,454.58	
Prepaid Charges	28,769.30	
		2,757,411.69
		$34,071,883.21

LIABILITIES

CAPITAL ACCOUNT		
Corporation of the City of Toronto:—		
Sinking Fund Debentures: Proceeds	$11,988,241.43	
Debenture Discount and Expenses	1,037,758.57	
	$13,026,000.00	
Less Funds in hands of City Treasurer for Redemption and Bonds redeemed before maturity	2,996,636.62	
		$10,029,363.38
Serial Debentures: Proceeds	$ 9,866,688.99	
Debenture Discount and Expenses	286,311.01	
	$10,153,000.00	
Less Amount redeemed to date under terms of By-Laws and Debentures redeemed before maturity	1,503,625.72	
		8,649,374.28
Net Bonded Debt		$18,678,737.66
Bank Loan		650,000.00
CURRENT LIABILITIES		
Accounts Payable and Accrued Charges	$ 1,089,456.28	
Corporation of the City of Toronto:—		
Sinking Fund Instalments Accrued	42,651.56	
Serial Debenture Instalments Accrued	131,908.42	
Interest Accrued	39,425.00	
		1,303,441.26
OPERATING RESERVES		
For Depreciation of General Assets	$ 4,136,295.10	
For Depreciation of Leasehold Property	40,922.53	
For Workmen's Compensation and Public Liability	352,031.06	
For Contingencies and Redemption of Taxes, Toronto & Niagara Power Company	83,218.00	
For Exchange on payment of Debentures and Interest thereon	97,456.98	
		4,709,923.67
CAPITAL RESERVES		
For Sinking Fund Equity in Hydro-Electric Power Commission of Ontario	$ 3,043,476.05	
For Sinking Fund	2,996,636.62	
By Redemption of Serial Debentures	1,503,625.72	
		7,543,738.39
RESERVE FOR STABILIZATION OF RATES		
Balance brought forward from 1924	$ 1,114,441.47	
Net Income from Revenue Account, 1925	81,382.51	
	$ 1,195,823.98	
Less Adjustments during the year	9,781.75	
		1,186,042.23
		$34,071,883.21

TORONTO HYDRO-ELECTRIC SYSTEM
REVENUE ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1925

Section I: Showing Net Income From Operations of Year

DR. — CHARGES

To Cost of Electric Current at Schedule Rate (together with supplementary charge of approximately $2.10 per H.P.)	$4,088,697.73	
To Expenses of Operation and Management, including Repairs, Maintenance and Accrued Charges, Provision for Proportion of Special Depreciation of Leasehold Buildings and Improvements ($21,255.97) and Reserve for Doubtful Accounts Receivable	2,217,286.65	
		$6,305,984.38
To Reserve for Possible Profit—York Township		66,000.00
To Net Income available for Fixed Charges Carried Forward to Section II.		2,455,388.47
		$8,827,372.85

CR. — INCOME

By Sale of Current for:—		
Lighting	$4,191,056.50	
Power	3,845,693.25	
Street Lighting	459,216.57	
Exhibition	34,958.06	
Other Municipalities	34,705.67	
		$8,565,630.05
By Income from Sundry other sources		261,742.80
		$8,827,372.85

Section II: Showing Disposition of Net Income

To Interest		$1,140,234.10
To Depreciation (including Interest on Depreciation Reserve)		476,371.03
To Taxes		20,645.72
To Sinking Funds:—		
Under City By-Law No. 5036	$ 36,471.54	
" " " No. 5918	34,255.92	
" " " No. 6674	9,283.67	
" " " No. 7176	13,262.38	
" " " No. 9302	237,287.37	
	$330,560.88	
To Redemption Funds:—		
Under City By-Law No. 7584 and No. 7642	$ 32,360.91	
" " " No. 7875	31,500.00	
" " " No. 8052 and No. 7999	26,500.00	
" " " No. 8294	18,000.00	
" " " No. 8295	17,500.00	
" " " No. 8774	26,000.00	
" " " No. 9191	89,500.00	
" " " No. 9880	65,000.00	
" " " No. 10177	99,833.32	
	$406,194.23	
		736,755.11
To Net Income carried to Reserve for Stabilization of Rates		81,382.51
		$2,455,388.47

By Net Income available for Fixed Charges	$2,455,388.47
	$2,455,388.47

ASSESSMENT OF RETAIL SHOPS

In an amendment to the Power Commission Act passed at the session of the year 1925, the following section was added:

"(3) Where the Commission is carrying on the business of selling by retail electrical goods, supplies or appliances, it may be assessed and shall thereupon be liable to taxation in respect of such business, and the land and buildings owned or occupied for the purposes thereof in the same manner and to the same extent as a retail merchant carrying on the same business."

In view of the fact that the combined office and store premises maintained by your Commissioners at the corner of Yonge and Front Streets and the corner of Carlaw Avenue and Gerrard Street were primarily for the public convenience in the payment of bills, and did not appreciably increase the volume of appliance business done, the former store was closed in the Spring of 1925, and arrangements have been made to close the latter as from June 1st, 1926.

FUTURE SUPPLIES OF POWER

Anxiety has arisen here and there in the public mind as to the availability of future supplies of power to enable your Commissioners to continue to serve the System's customers at the low rates at present in effect. While the consumption of power throughout the Niagara Zone continues to increase and will, no doubt, ere long exceed the supply at present available, your Commissioners do not see any reason why an acute power shortage should be permitted to occur. It must not be forgotten that the very acute power shortage experienced during the war was due to absolutely abnormal conditions. In a period of rising prices, when every other illuminant and every other source of power had become suddenly scarce and dear, the System's supply, based as it was on pre-war cost and not on the law of supply and demand, was maintained at an even lower figure than before the war began, with the result that the sale increased out of all proportion to the supply; since the erection of great hydraulic development works is a matter of years, the situation grew worse and worse, until it was relieved by the cessation of the munition factories following the Armistice, the purchase of the MacKenzie properties, and the placing in service of the Chippawa power development. It is inconceivable that a repetition of such difficulties should take place under peace-time conditions.

It must not be forgotten that the cost of power to the Toronto Hydro-Electric System is only one element of the cost of supplying the System's consumers. The cost of power to the System, expressed as a percentage of the total cost of the System's operations has grown from a minimum of 22.66% in the year 1914 to a figure of 46.75% in the year 1925, the increase in price per Horse Power being 74%; yet due to the economies developed by your Commissioners in the operating and fixed charges of the local plant, there has actually been a small decrease in the average cost of power per Kilowatt Hour delivered by the System to its customers as a whole. In particular, it is interesting to note that the average rate for all the power sold to domestic 25 cycle alternating current customers in the City of Toronto has been reduced by the System from 4.47c per Kilowatt hour in the year 1914 to 1.75c per Kilowatt hour in the year 1925. These figures are mentioned to emphasize the fact that a cheap supply of power is only one element in the cost of serving the ultimate consumer, and that, therefore, even should it be necessary to fall back upon a more expensive source of power, the price to the consumer is not likely to be increased in the same proportion as the cost of power.

Your Commissioners are satisfied that this matter is receiving every attention upon the part of the Hydro-Electric Power Commission of Ontario, and that by co-operation between that Commission and the Toronto Electric Commissioners, the public of Toronto may rely upon being protected against the necessity of a serious curtailment of their electric supply.

CONCLUSION

In conclusion the Commissioners desire to testify to the efficient services of the staff, and to thank the City Council, the Toronto Press and the Public for their continued confidence in the enterprise and their effective support.

Respectfully submitted by the Board of Commissioners.

P. W. ELLIS, Chairman. THOS. FOSTER, Mayor.
GEO. WRIGHT, Commissioner.

GENERAL MANAGER'S ANNUAL REPORT

To the Toronto Electric Commissioners

Gentlemen,—

Herewith is submitted report of the operations of the Toronto Hydro-Electric System for the year ended December 31st, 1925.

The number of meters connected to the System has been increased by 2,189. The smallness of this number is due to the fact that the Township of *East York* during the year set up its own Hydro-Electric System, and took *over* from your System approximately 5,609 meters; the figure given above is the number by which the new meters connected in districts now served by the System exceeds 5,609. The connected load of the System has increased by over 42,000 H. P., and the total energy consumption of the System's customers has been over 27,000,000 K. W. hours in excess of the consumption in 1924.

GENERAL EXTENSIONS

The extension to the Carlaw Avenue Sub-station, commenced in 1924, has been completed. The 13,200-volt distribution station building on Wiltshire Avenue, commenced in 1924, has been completed and put into operation. A new sub-station for 4,150-volt distribution has also been erected on Wiltshire Avenue adjacent to the 13,200-volt building.

There have been installed in the System's Sub-stations the following additional units, with the necessary switchgear and general equipment for putting them into service:

12—1,000 K.W. Transformers at Wiltshire Sub-station.
3—1,000 K.W. Transformers at Danforth Sub-station.
3—1,000 K.W. Transformers at Duncan Sub-station.
1—5,000 K.W. Transformer at Carlaw Sub-station.
9—60 K.V.A. Regulators at Wiltshire Sub-station.
3—60 K.V.A. Regulators at Junction Sub-station.
1—5,000 K.V.A. Synchronous Condenser and equipment at Carlaw Sub-station.
1—1,000 K.W. Rotary Converter at High Level Sub-station, together with equipment.

At the High Level Station the original building has been rearranged for railway service and a new circuit-breaker board has been installed in the basement. During the year the Danforth and Morton Sub-station, which was designed for remote control from the Station at the corner of Gerrard Street and Carlaw Avenue, has been successfully put into regular operation in this manner.

Our underground work consisted of opening up 10,474 feet of trench and tunnel and installing therein 60,500 feet of duct, together with the necessary manholes, service boxes, and one transformer pit.

There was pulled into underground ducts and jointed up for service 60,737 feet of lead-covered underground cable for new installations of feeders and connections with mains.

There have been installed ten new feeders for 4,150 and 2,400 volt distribution, five 600-volt feeders for alternating current power distribution, seven 230-volt feeders for direct current supply, two new railway feeders and eighteen alternating current extensions from downtown pits for 115/230-volt service. An additional 13,200-volt feeder has been made ready for service between Station "E" and Danforth.

During the year 820 Pole Type Transformers were installed with an increase in capacity of 6,730 kilowatts, but due to the transfer of the East York system and certain sections of the North York system to the respective townships, and the reconstruction work carried out on former Toronto and Niagara Power Co., and Toronto Suburban Railway lines, the actual increase shown in the records is only 54 Transformers over the 1924 total.

8,702 new services were installed within the City Limits, and 398 changed from two to three wires; approximately 2,500 services were put in for the adjoining municipalities of Forest Hill and the York Townships.

1,357 new poles were erected and 2,200 poles were removed in doing reconstruction work, the majority of these being of Toronto and Niagara Power Co., and Toronto Suburban construction. In York Township the System erected 993 poles and removed 660. 937 additional street lights were added within the City Limits and 103 in the adjoining municipalities.

LIGHTING SERVICE DEPARTMENT

As it is felt that many Hydro customers who are paying for electricity for lighting purposes are not obtaining the best possible lighting results, a Lighting Service Department has been organized. The plan of this Department is that Hydro customers are free at any time to call on the Department for advice or information in connection with lighting problems. This service is extended to Offices, Stores and Residences, in addition to Factory lighting. A demonstration room is maintained by the Department, and in this room various types of lighting equipment can be shown and demonstrated. There is nothing for sale by the Department, their work being of an advisory nature. Information and advice are given freely, and where necessary, plans are drawn, illustrating the lighting lay-out which is recommended. Hydro customers should feel free at all times to take advantage of this service.

CONCLUSION

It is with much pleasure that I again record sincere appreciation of the valuable services rendered by the Staff, to whose efforts, combined with the splendid support of the Consumers, and the public, is largely due the measure of success attained in the past. Our thanks are also due to those officials of the City who have so heartily co-operated with the System.

E. M. ASHWORTH,
General Manager

Current Events in Banking World

WOULD THE BANKS REAP BENEFITS BY SHARING PROFITS?

Manager Makes Suggestion That Modern Policy be Tried

Are the Canadian banks neglecting an opportunity to get better service from their managers and other officials in not offering something in the way of stock interest or other opportunity for profit-sharing? This question is raised by a Western bank manager who submits his views and arguments for such a policy in the article which follows. Certainly the idea seems worthy of consideration in view of the responsibilities of bank men and the success of profit-sharing plans in other lines of business. The views of other bank managers would undoubtedly lead to a worth-while discussion on this subject.—J.W.T.

We, in this country are largely influenced by the practices and customs of older and more highly developed nations, particularly at present by the U.S.A., and there can be no doubt that we profit much economically thereby.

It seems strange indeed that even greater advantage is not taken of the opportunity to benefit by utilization of practices proven beneficial by the experimentation of our neighbors to the south. For instance, it has become almost an accepted principle among American industrialists to afford their employees of all grades the opportunity of sharing in the profits of their company, and a general tendency on behalf of executives toward greater interest in the affairs of the employee has become marked, with results eminently satisfactory to all concerned.

Yet in Canada one can find few instances of any serious efforts along these lines: and to take the case of the chartered banks, for example, where, owing to the permanent nature of the employment, the principle of profit sharing could be instituted with the greatest advantage, no attempt in this direction has been made, in so far as I know. On the contrary, the various head offices appear to expect the maximum consideration from the staff for the interest of the bank while extending a minimum of consideration toward the interests of the staff.

Surely such a policy is short sighted. It is true that the Canadian banks are overstaffed at the present time owing to the numerous amalgamations of recent years and consequent closing of offices, but such a condition cannot prevail for any extended period in this growing country, and in any event it would seem that nothing can be lost by cultivating in the staff an interest in their institution along lines found so successful by employers engaged in operations of a similar nature to the south.—V. G. L.

Good Advertisers Recognized as Better Risks for Bank Credits

"Banks are far more liberal in their terms to companies that have been regular advertisers than toward those that do not advertise," Frank L. Blanchard, of Henry L. Doherty & Co., New York, told the Public Utilities Advertising Association at the 22nd annual convention of the Associated Advertising Clubs of the World.

"They rightly feel," he added, "that a company that has, through advertising, won the good will of the public, is more likely to retain its position in the community as an important business enterprise than a company that does not advertise and therefore does not have the hold upon the residents of the city the former company has."

Mr. Blanchard mentioned eight specific purposes for which advertising can be profitably used by public utility companies:

1. To sell the company's securities, service and merchandise.
2. To keep stockholders and customers informed regarding the affairs of the company and thus promote their interest in it.
3. To make known to the general public the company's policies, its methods of doing business, its personnel and its plans for improving its service.
4. To defend itself when unjustly attacked, and especially by politicians who hope to promote their candidacy for office.
5. To oppose legislation that would hamper the physical operations of the company, or impose financial obligations that would be unjustly burdensome.
6. To promote public goodwill by encouraging thrift, promoting safety, building up commercial enterprises, and helping to make the city a better place in which to live.
7. To give reasons why it has applied to the state utility commission for permission to raise its rates.
8. To present arguments for the renewal of its franchise.

RECALLS FAILURE B.C. PRIVATE BANK

Crash of Green, Worlock & Company in 1894 Created Sensation on Pacific Coast

VANCOUVER.—The death in Victoria of Fred Hammett Worlock will recall to old-timers the disastrous failure in 1894 of the private bank of Green, Worlock & Co., Victoria, which was probably the last private bank to do business in this province.

Founded in the fifties as a branch of the well-known firm of Wells, Fargo & Co., of San Francisco, the bank did a big business during the Cariboo mining days in purchasing gold dust and selling drafts to miners.

In 1871 the business was taken over by F. Garesche and A. A. Green, under the name of Garesche, Green & Co., the new firm continuing to act as agent for Wells, Fargo & Co. F. Garesche, the senior partner, was one of the victims of the ill-fated steamer Pacific, in November, 1875, and in 1891, after the death of Mr. Green, Mr. Worlock, who had been with the bank for some few years, was admitted to partnership, and the name was changed to Green, Worlock & Co.

Although the purchase of gold dust had long since ceased to be an important feature of the business, and three chartered banks were located in Victoria, many storekeepers and private individuals kept their accounts at the bank, which was considered a substantial financial institution. Consternation and surprise were thus general on the morning of March 2, 1894, when the bank failed to open its doors.

The immediate cause of the bank's collapse was the refusal of Wells, Fargo & Co. to honor a draft for a considerable amount. A statement was issued by the late Mr. Worlock to the effect that the suspension was only temporary and that the bank possessed assets of $610,510, as against liabilities of $444,900. But the bank never reopened its doors for business. The late Hon. Robert Beaven, well known in political circles in the early days, was elected chairman of a committee to liquidate the bank, but the assets were found to be practically worthless, and, outside of a chartered bank, whose claim was fully secured, its creditors and depositors received only a very small amount of their claims.

Staff Gossip

W. W. Stump, teller of the Bank of Nova Scotia, has been transferred to Haileybury.—Post, Cochrane.

* * *

Willard Baldwin of the Bank of Montreal staff has left for Bowmanville, having been transferred to that branch. —Post, Lindsay.

* * *

H. G. Hurlburt, senior assistant manager at the Winnipeg office of the Canadian Bank of Commerce, has been appointed manager of the Moose Jaw branch of the bank to succeed James Cameron, who has been promoted to the position of inspector in the manager-in-chief's department of the Bank of Commerce at Hamilton, formerly the head office of the Bank of Hamilton.—Times, Moose Jaw.

* * *

W. A. Moore, who for the past seven years has been connected with the local branch of the Bank of Montreal, has received notification of his transfer to the branch at Moose Jaw, and will leave shortly for his new post.

During his stay in the city Mr. Moore has made a host of friends who will regret his departure, although glad to hear of his promotion. Mr. Moore has been associated with the movement of the city and other community enterprises.—Graphic, Portage la Prairie.

* * *

R. (Doug.) Browne accountant of the local branch of the Bank of Montreal, has been successful in passing all the subjects of the associates' course of the Canadian Bankers' Association. In addition to this splendid culmination of his efforts, Mr. Browne has received from the general manager of the bank the honorarium granted to officers of the bank who have achieved this honor. —Star, Wainwright.

Five New Branches Were Opened in July

Five new branches were opened by the Canadian chartered banks during the month of July, and five branches closed. Following is a list of the branches opened and closed:

Opened

Commerce—Chicoutimi, Que.
Montreal—Gatineau, Que. (sub. to Hull), Westmount, Que., Claremont Ave. and Sherbrooke St.
Standard—Kitchener, Ont.
Toronto—Glidden, Sask.

Closed

Commerce — Vancouver, Collingwood East; Bury, Ont.
Montreal — York St., Hamilton; Toronto, Cherry & Villiers Sts.
Nationale—Buckland, Que.

The Douglas and Cormorant, Victoria, branch of the Canadian Bank of Commerce is being changed to Douglas and Johnson branch. The Brucefield, Ont., branch of the Bank of Montreal is now being operated as a sub-agency to Hensall, Ont., instead of Clinton.

BANK OF NOVA SCOTIA

A branch of the Bank of Nova Scotia has been opened at Camaguey, Cuba.

DOMINION BANK

The Dominion Bank advises the following staff appointments: M. E. Grant, formerly manager at Marmora, Ont., has been appointed manager at Lindsay, Ont., and is succeeded at Marmora by T. W. Rhind.

Weekly Bank Clearings

(In comparison with the same week last year)

Eastern Cities	Aug. 6, 1925	Aug. 5, 1926
Halifax	$ 3,293,966	$ 3,195,025
St. John	2,600,349	2,705,414
Moncton	784,473	792,844
Sherbrooke	981,625	1,115,196
Montreal	106,472,578	115,440,646
Ottawa	5,575,447	5,833,496
Kingston	836,491	691,489
Peterboro	782,562	562,919
Toronto	77,529,142	88,474,861
Hamilton	5,170,026	5,205,496
Brantford	800,387	1,053,808
London	2,376,133	2,515,345
Sarnia	....	490,269
Kitchener	947,096	810,798
Chatham	....	716,327
Windsor	3,280,687	4,071,311
Total, East.	$211,430,962	$233,675,244
Western Cities	Aug. 6, 1925	Aug. 5, 1926
Fort William	$ 976,301	$ 789,314
Winnipeg	52,565,138	81,142,913
Regina	3,638,996	6,380,702
Saskatoon	2,005,245	2,193,546
Moose Jaw	1,112,147	1,233,112
Prince Albert	312,428	421,560
Lethbridge	535,228	600,967
Calgary	8,249,372	13,749,983
Edmonton	4,254,360	5,598,386
Medicine Hat	292,747	315,641
Vancouver	17,145,762	18,640,437
New Westminster	772,799	894,429
Victoria	1,901,226	2,646,487
Total, West.	$93,761,749	$134,607,477

Current Loans and Savings Again Increase in Bank Report

The government bank statement for June shows that the chartered institutions during that month increased their current loans in Canada by $5,000,000. This increase, together with an increase of $2,000,000 in bank notes in circulation, may be taken to indicate the larger volume of business being transacted. Current loans have expanded $36,000,000 as compared with a year ago. During the same period savings deposits have increased by $74,500,000, although during the month of June there was a decline in savings of $6,600,000. The latter decline was, however, more than counteracted by an increase of $14,400,000 in foreign deposits and $13,270,000 in demand deposits. Total Canadian deposits are $131,500,000 greater than a year ago and foreign deposits have declined $39,000,000, while still being more than $80,000,000 larger than foreign loans.

Call loans of the Canadian banks in Wall Street increased substantially during June, the statement showing an increase in call loans abroad of over $26,000,000. Canadian call loans were increased only $7,000,000.

The following summary shows changes during the month and year of the various items in the government return:

ASSETS

	June, 1926	May, 1926	Change	June, 1925	Change
Immediately Available Liquid Resources					
Specie	$ 59,128,927	$ 59,258,602—	$ 129,676	$ 57,548,461+	$ 1,580,466
Dom. Notes	112,339,616	112,002,263+	337,353	135,440,112—	23,100,496
Gold Res.	63,310,332	60,260,332+	3,050,000	55,902,533+	7,407,799
For. Banks	71,710,860	65,681,243+	6,029,617	73,731,914—	2,021,054
For. Curr.	24,820,911	28,242,354—	3,421,443	27,646,708—	2,825,797
Gov. Secs.	350,726,915	350,183,078+	543,837	360,590,645—	9,863,730
Call Loans, Abd.	242,961,283	216,745,354+	26,215,929	216,996,534+	25,964,749
	$924,998,844	$ 892,373,227+	$32,625,617	$ 927,856,907—	$ 2,858,063
Loans and Securities Other Than Those of Canadian Government					
Pub. Secs.	$128,296,371	$ 129,295,639—	$ 999,268	$ 153,439,750—	$25,143,379
Rly. Secs.	60,530,224	64,705,820—	4,175,596	60,117,363+	412,861
Can. Call Loans	143,532,883	143,425,255+	107,628	114,467,296+	29,065,587
Current	931,548,713	926,508,698+	5,040,015	895,592,277+	35,956,436
Loans Abroad	252,793,168	268,147,515—	15,354,347	211,846,315+	40,946,853
Prov. & Mun. Loans	98,015,305	102,215,554—	4,200,249	87,812,673+	10,202,632
	$1,614,716,664	$1,634,298,481—	$19,581,817	$1,523,275,674+	$91,440,990
Other Assets					
Non-Curr. Loans	$ 9,587,671	$ 9,370,143+	$ 217,528	$ 11,234,287—	$ 1,646,616
Real Estate	8,276,209	8,320,192—	43,983	8,710,554—	434,345
Mortgages	5,711,414	5,715,034—	3,620	4,403,952+	1,307,462
Premises	71,137,596	71,708,213—	570,617	73,044,268—	1,906,672
Lets. of cred.	72,311,483	75,079,631—	2,768,148	59,832,384+	12,479,099
Loans to Corp.	5,494,835	5,084,342+	410,493	5,707,945—	213,110
Other Assets	2,844,024	3,081,575—	237,551	3,489,575—	645,551
	$175,363,232	$ 178,359,130—	$2,995,898	$ 166,422,965+	$ 8,940,267
Total	$2,715,078,740	$2,705,030,838+	$10,047,902	$2,617,555,546+	$97,523,194
Note Circ. Dep.	5,858,003	5,810,527+	47,475	6,284,276—	426,273
Int. Bk. Bal.	138,016,564	129,604,624+	8,411,940	133,947,520+	4,069,044
Gross	$2,858,953,307	$2,840,445,989+	$18,507,318	$2,757,787,342+	$101,165,965
LIABILITIES TO THE PUBLIC					
Liability to Government and Circulation					
Circulation	$ 166,371,587	$ 164,334,624+	$ 2,036,963	$ 163,146,336+	$ 3,225,251
Dom. Govt.	36,463,250	41,433,238—	4,969,988	30,762,487+	5,700,763
Prov. Govt.	23,627,502	22,705,481+	922,021	27,641,453—	4,013,951
Govt. Advances	19,800,000	15,800,000+	4,000,000	19,800,000	....
Deposits by Public					
Demand Dep.	552,498,207	539,227,960+	13,270,247	495,488,770+	57,009,437
Savings Dep.	1,328,225,287	1,334,842,107—	6,616,820	1,253,703,216+	74,522,071
Total	$1,880,723,494	$1,874,070,067+	$6,653,427	$1,749,191,986+	$131,531,508
Foreign Dep.	337,314,422	322,922,325+	14,392,097	376,382,649—	39,068,227
Due to Banks Abroad, etc.					
United Kingdom	$ 5,495,774	$ 3,947,661+	$1,548,113	$ 10,251,656—	$ 4,755,882
Foreign	33,662,021	40,986,364—	7,324,343	40,126,201—	6,464,180
Bills Pay.	10,588,229	10,502,642+	85,587	10,586,525+	1,704
Lets. of Credit	72,311,483	75,079,631—	2,768,148	59,832,384+	12,479,099
Other Liab.	1,758,898	1,678,511+	80,387	1,473,554+	285,344
Public Liab.	$2,588,116,660	$2,573,460,604+	$14,656,056	$2,489,195,231+	$98,921,429
Due bet. Banks	11,976,863	9,097,750+	2,879,113	11,786,820+	190,043
Liability to Shareholders					
Dividends	$ 693,185	$ 2,635,970—	$1,942,785	$ 701,753—	8,568
Reserve	125,441,700	125,441,700	....	122,191,700+	3,250,000
Capital	116,164,660	116,164,660	....	120,164,660—	4,000,000
Gross	$2,842,393,068	$2,826,800,684+	$15,592,384	$2,744,040,164+	$ 98,352,904

ONTARIO STEEL PRODUCTS COMPANY LIMITED

Consolidated Balance Sheet 30th June, 1926

FIXED ASSETS:			
Real Estate, Buildings, Plant and Power Rights		$1,674,638.70	
Goodwill		353,772.68	
			2,028,411.38
LIQUID ASSETS:			
Cash		37,703.68	
Bills and Accounts Receivable		324,726.20	
Inventories		366,280.29	
Securities:			
Sinking Fund Assets $57,900 O.S.P. Bonds	53,427.00		
Pension Fund Assets $16,000.00 Par Value	15,814.75		
Victory, Municipal and Other Securities $266,840. Par Value	269,012.20		
Other Investments	710.00		
		338,963.95	
			1,067,674.12
DEFERRED CHARGES TO OPERATIONS:			
Advances, Unexpired Insurance, etc.			17,490.08
			$3,113,575,58
CURRENT LIABILITIES:			
Bills and Accounts Payable		111,704.38	
Receiver General of Canada for Income Tax		18,654.71	
Bond Interest to 2nd July, 1926		12,630.00	
Provision for Pfd. Dividend payable 16 Aug., 1926		13,125.00	
Ord. Dividend payable 16 Aug., 1926		7,500.00	
			163,614.09
RESERVES:			
Special for extraordinary Inventory Fluctuations		50,000	
Bad Debts, etc.		48,810.82	
Pension Fund		24,485.20	
Depreciation		457,511.73	
			580,807.75
First Mortgage Bonds 6% due 2nd July, 1943		600,000.00	
Less Bonds redeemed by Sinking Fund		201,500.00	
			398,500.00
CAPITAL STOCK:			
7% Cumulative Pfd. Shares Authorized and Issued		750,000.00	
Ordinary Shares Authorized $2,000,000.00 Issued		750,000.00	
			1,500,000.00
PROFIT AND LOSS ACCOUNT:			
Balance as at 1st July, 1925	443,003.42		
Less Bonus Dividend on Ord. Shares, 15th Aug., 1925	7,500.00		
		435,503.42	
Add Profit for year	227,619.31		
Less depreciation	61,968.99		
		165,650.32	
		601,153.74	
Less Bond Interest	25,260.00		
Pfd. Div. pd. and provided for	52,500.00		
Ord. Div. pd. and provided for	30,000.00		
		107,760.00	
		493,393.74	
Less Provision for Sinking Fund		22,740.00	
			470,653.74
			$3,113,575,58

We beg to report that we have audited the Accounts of the Ontario Steel Products Company, Limited, for the year ended 30th June, 1926. We have obtained all the information and explanations required by us. We certify that in our opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

McDONALD, CURRIE & CO.,
Chartered Accountants.

Montreal, 9th July, 1926.

The Foreign Exchanges

Conducted by S. J. ZACKS.

The week in foreign exchange was rather a quiet and inactive one. French and Belgian francs reacted, not being able to hold the gains registered last week. French francs closed at $.0271¾ on Wednesday or about $.0028 lower than the high of a week ago. Sterling cables at $4.85 13/32—15/32 closed slightly lower. The Japanese yen continues strong, scoring a sensational rise and reaching the highest point in several years; the yen appears to be headed higher. Brazil too showed strength and reported a slight gain.

The discount on U. S. funds continues firmly at the gold export point of 5/32 per cent. No great changes are anticipated and with a heavy export of wheat approaching the present discount should continue.

The recent consent by the French National Assembly of Poincare's sinking fund legislation and the granting of constitutional powers to the finance commission with regards the use of funds from tobacco monopoly and inheritance tax has possibly helped to further inspire confidence in the franc internally. There are many, however, who believe that the recent rise of the franc was due to the immense short interest and the conversion of the Morgan credits. These claim that the French franc is too high, especially relative to the Belgian franc. Furthermore, many question the possibility of a long life for the Poincare cabinet. Will the forces that support Herriot co-operate with those of Poincare in parliament?

Has Poincare in making provision for a balanced budget fully discounted the recent inflation in France? Poincare's policy too of balancing the budget to bring about a stabilized exchange has been attacked. The opponents claim that France has not balanced her budget in recent years and will not do so under Poincare. Stabilized exchanges, these assert, can only be brought about by the establishment of foreign credits which can be secured only after a debt settlement.

NEW YORK FUNDS

	High	Low	Last Year High	Last Year Low
Aug. 5	5-32	5-32	1-32	1-32
Aug. 6	9-64	5-32	Par	1-32
Aug. 7	5-32	5-32	1-64	1-64
Aug. 9	5-32	5-32	1-64	1-32
Aug. 10	5-32	11-64	1-32	3-64
Aug. 11	5-32	11-64	1-32	3-64

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
Aug. 5	4.85 15/16	2.84¾	3.33¼
Aug. 6	4.85⅞	2.95¼	3.36¼
Aug. 7	4.85⅝	2.98¾	3.37¼
Aug. 9	4.85 15/16	2.93	3.37¼
Aug. 10	4.85⅞	2.74	3.34¼
Aug. 11	4.85 13/16	2.70½	3.29

FOREIGN EXCHANGE

Par		Aug. 4	Aug. 11
19.30	Italian	3.34	3.29½
23.82	German	23.77	23.77
32.45	Brazil	15.43	15.58
19.30	Belgium	2.87	2.69¾
94.85	Japan	47.45	47.72½

Basic Industries Are in Encouraging Condition

The statistics and information available at this date regarding industry and trade during the first half of the year show that the volume of business was sufficient to provide a gratifying measure of prosperity for the greater part of the country's population, says the August commercial letter of the Canadian Bank of Commerce.

Encouraging features are seen in the four major basic industries—agriculture, mining, lumbering and fishing. The farmers have been able to dispose of large quantities of agricultural products at quite favorable prices, the production of minerals has been increased, and extensive development has been carried out, the lumber mills, while operating at little, if any, profit, have had a good market for their output, while a strong demand has existed for Pacific coast fish, and the new season opened in that section under very favorable conditions.

Industrial operations were maintained at a satisfactory level, even during a period when a material slackening is ordinarily expected. Wholesale distribution and retail sales in the country as a whole were ahead of the first six months of 1925.

An Over-Due Acceptance

Question.—A draft drawn "payable on May 22" and therefore being due on May 25, is accepted on May 26. On what date does it mature? Is the drawee entitled to three days' grace, or would such an item mature on the date of the acceptance, on account of it being past due?

Answer.—Sub-Section 2 of Section 23 of the Bills of Exchange Act reads:

"Where a bill is accepted or endorsed when it is overdue it shall, as regards the acceptor who so accepts, or any endorser who so endorses it, be deemed a bill payable on demand."

A bill such as you refer to is accordingly payable on the date of acceptance.

In Section 37 of the Bills of Exchange Act, Clause B of Sub-Section 1 provides that a bill may be accepted when it is overdue.

ROYAL BANK

The following staff changes are reported by the Royal Bank:

C. R. Phinney, accountant at the Toronto, Church St. branch, upon leaving to take up duties at head office, was presented with a handsome mantel clock by the staff.

F. E. E. Armstrong, accountant at the Windsor branch, who recently resigned to take a position with the Reo Motor Corporation at Detroit, was presented by the staff with a wardrobe trunk.

On the occasion of his transfer to Toronto branch, W. C. Paton, Windsor, was presented with a pipe by the members of the accountant's department.

W. E. Wicks, former manager of the Eldon, P. E. I. branch, was presented by his many friends with a tea wagon and silver tea service on the occasion of his departure for Campbellton, where he has accepted another position.

A Clever Check Scheme to be on Guard Against

LOUISVILLE. — A rather interesting cold check scheme was reported a few days ago by Otto Seelbach, of the Seelbach Hotel Co. A young chap came to Louisville from Nashville, registered at the hotel and deposited $80 at a bank half a block away. He later had the hotel cash two checks, one of $50 and one of $20.

In the meantime the police department of Memphis got in touch with the Louisville police department, looking for a man who had defrauded the Peabody Hotel on a cold check scheme. The man at the Seelbach was identified. The Seelbach owners immediately sent a bell boy over to the bank and secured its $70. A short time later the man appeared at the bank and drew a check for $80, to find that he had but $10 left. Detectives picked him up and held him over for the Memphis authorities. There was no charge against him here, as the checks were good when issued and were collected, although there was an attempt to defraud.

The man is reported to have been pulling this scheme for a period of two years in various sections of the country. It was alleged that he secured nearly $200 in Memphis on such a scheme. Of course, his plan was to have the money on deposit when checks were drawn and even tell the person cashing them to call the bank and ascertain the truth of his statement. However, he would later draw the money from the bank and leave quickly.

BRANCH BANKING IN THE U. S.

The Federal Reserve Bulletin has published the results of an enquiry into the development of branch banking in the United States, a development of particular interest to Canadians in view of the frequent comparisons between the two systems. In the United States there were in December 1925, 2,572 branch offices and the average size of each system of branches was 3.5 branches. Out of a total of 735 banks operating branches, 429 had branches only within the home city. Of the 263 banks which had branches outside the home city, 223 were not members of the Federal Reserve System. Fifty-five per cent. of the branch banks operated one branch; less than eight per cent. operated 10 branches or more. In 17 out of 48 states, branch banking is prohibited. In 21 it is permitted. In 10 there is no express provision for their establishment.

STANDARD BANK

The Standard Bank has recently opened a branch at Kitchener, Ont., under the management of W. C. Campbell, formerly manager at Tavistock. J. P. Dougherty, until recently accountant at their Chatham office, has been appointed manager at Tavistock.

NEW YORK PUZZLED ABOUT MONEY RATES

Differences of Opinion as to Whether Rates Will go Higher This Fall

NEW YORK.—Bankers throughout the city were greatly interested in the statement published as made by Thomas Cochran, of J P. Morgan & Co., that an advance in the rediscount rate of the New York Federal Reserve Bank need not be expected this fall, although they regarded it as an expression of only Mr. Cochran's personal opinion.

Bankers who are most familiar with what transpires at the Federal Reserve bank when a change in the rediscount rate is under consideration, are emphatic in denying that any outsider, irrespective of his position, can reflect the opinion of Federal Reserve officials.

It is known that at each weekly meeting in the bank the question of rates is raised and that a concurrent opinion is sought among those present without previous discussion among themselves. Under this plan it might be the opinion of an official of the Federal Reserve bank that the rates should be lowered or raised, but as he could only express his own opinion and by no means reflect the concurrent opinion of his confreres he could not afford any satisfactory answer as to what would be done in the matter of rates.

Both brokers and bankers in New York predicted only a few days ago that rates on commercial paper as well as call money rates would stiffen shortly and money on August 3 renewed at 4½ per cent. with 5 per cent. prevailing later in the day.

While commercial paper has not yet shown the expected rise, there is already some indication that time money is going higher and money for the longer period is already loaning at 4¾ per cent.

There are indications that while money is plentiful and cheap, as Mr. Cochran maintains, there will be a further tightening of the money market early this fall and that we need not wait until after the first of January to see these higher rates, as Mr. Cochran states.

Bankers point out that commercial activities are exceptional for this time of the year. This is stated by the same bankers who early last spring predicted a serious slump in activities during the summer months.

Geological Survey Report is Valuable

The Geological Survey of Canada has published the summary report for the year 1924, part C. This presents the results of investigations carried on by field parties in Eastern Canada during the summer of 1924. It contains a description by Dr. T. L. Tanton of the eastern part of the Matawin iron range and by J. E. Gill of that part of the Gunflint iron-bearing formation lying between Gunflint Lake and Silver Mountain station on the Port Arthur, Duluth and Western railway.

Dr. T. T. Quirke describes the mineral occurrences of an area traversed by the Canadian National and Canadian Pacific Railways some distance of north of Key Harbour, and Wyatt Malcolm calls attention to the economic possibilities of the limestones exposed on Abitibi and Mattagami Rivers.

The Clericy and Kinojevis areas immediately to the east of Rouyn in western Quebec are described by Dr. W. F. James and Dr. J. B. Mawdsley. This report is accompanied by two colored geological maps on a scale of one mile to one inch. Copies of these maps have already been made available to the public. The summary report also contains a geological map of an area south of the Canadian National Railway from Amos east to beyond Bell river. Dr. F. J. Alcock describes the geology of a part of the Shickshock mountains and of Mount Serpentine in Gaspe.

The results of investigations made on the formations of the Carboniferous system of the mainland of Nova Scotia south of Northumberland Strait are presented in considerable detail by Dr. W. A. Bell. Dr. H. V. Ellsworth describes the chemistry of the potash-bearing horizon of the Malagash salt deposits. The zinc-lead-copper sulphide deposit of Sterling, Richmond county, which has attracted much attention in recent years is described by Dr. L. J. Weeks.

The summary also contains a report by A. Anrep on peat bogs of Nova Scotia and a report by E. D. Ingall on certain deep borings in Ontario and New Brunswick.

Personals

RT. HON. MR. McKENNA, who has been made a director of the Canadian Pacific Railway, is one of the outstanding and most vital figures in British finance and public life. He has been chairman of the London Joint City and Midland Bank since 1919, and a prominent Liberal member of British parliamentary life since 1892, sitting for North Monmouthshire. He was appointed Financial Secretary of the Treasury in 1905 and was president of the Board of Education in 1907 and 1908. From 1908 to 1911 he was First Lord of the Admiralty, when he became Home Secretary, and in 1915 he was appointed Chancellor of the Exchequer. Mr. McKenna was born in London in 1863, thus being 63 years of age. He was educated in King's College, London, and Trinity Hall, Cambridge.

THE NATION'S BUSINESS

(Continued from page 1)

the last session he took at least one pivotal occasion to tell of the ills of merchandising and expound upon its importance and its strength as well.

Now another merchant is seeking a seat. J. A. Banfield, furniture merchant of Winnipeg and president of the Retail Merchants Association of Canada, is the Conservative candidate in North Centre Winnipeg. If Canada had a sort of enlarged "P. R." system that would permit all the retailers' votes throughout the country to be lumped and plumped for Mr. Banfield, there would be no doubt of his election.

* * *

NOWHERE in Canada is there a more interesting fight than in Vancouver Centre where Hon. H. H. Stevens and Dugald Donaghy are set up against each other. The contest is of particular interest because each was a member of the last House and also a member of the customs inquiry committee.

Stevens has been a member for fifteen years and his seat has been regarded as thoroughly safe; secured for the Conservative party. Donaghy also had what was regarded as a safe seat—North Vancouver—but the Liberals asked him to make the fight against Stevens and party loyalty induced him to change to the more difficult riding and chance the sacrifice of his seat in parliament.

Canada could well do with both Stevens and Donaghy in the House. It is unfortunate that they can not both win. But it is the way of politics that good candidates are often bunched together in single ridings. In the last election E. C. Drury, who would have been a good man in parliament, was defeated by W. A. Boys. R. L. Calder, needed at Ottawa, lost out to R. S. White. Herbert Marler was defeated in order that C. H. Cahan might sit in the house. R. L. Baker crowded out Albert Matthews.

There are ridings in Canada where the average onlooker wishes there were some way both candidates could be defeated and others where he would like to see both candidates elected.

* * *

HON. JAMES A. ROBB is getting into the Liberal campaign with strong addresses in different centres. In the main, he is confining himself to the Liberal record in tax reduction, etc., and well he might, since to Mr. Robb must go most of the credit for the changes made. Incidentally, in this connection, it is interesting to note that while people used to talk about the Laurier-Fielding budgets, they talk of the last budget not as the King-Robb budget, but as the Robb budget. More discussion of such a popular, vote winning reality as the Robb budget would probably do more for the Liberals than a continuance of the King campaign of talking about abstruse constitutional niceties and the Dunning campaign of attempting to unite the West and British Columbia against the East. However, this was Dunning's line of argument only in the West. Down East he is making quite a fuss over National unity!

* * *

THE Manitoba Free Press thinks cabinet ministers should not hold directorships in public companies. It says:

"Some ministers in Mr. Meighen's new cabinet hold so many directorates and other offices in so many big and influential corporations, that the propriety of them doing so is questioned. The same question has been raised within the British House of Commons in the last week or two. Premier Baldwin gave it a very direct answer. He said: 'Ministers should resign directorships on entering office. The practice was first laid down by Sir H. Campbell-Bannerman, in answer to a question on March 20, 1906, in the following words: 'The condition which was laid down on the formation of the government was that all directorships held by ministers must be resigned, except in the case of honorary directorships, directorships in connection with philanthropic undertakings, and directorships in private companies.'

"This was reaffirmed on March 28, 1917, by minute of the war cabinet, and has since been the practice of successive governments since 1906.

"It is noticed that members are permitted to retain directorships in 'private' companies. Subsequent reference to the point in the British Parliament reveals that by private companies are meant purely and solely family concerns. These are businesses in which the member has either inherited or instituted the interest upon which his living more or less depends. In all other companies, certainly no member of any government should be a director or hold any office which might directly or indirectly influence him when transacting public affairs."

* * *

THE Victoria Times has not hesitated to be an election prophet and says: "It predicts that Mr. Meighen will not only lose the election, but that he also will lose the Conservative leadership, and that the next election will be fought by the Conservatives under the leadership of R. B. Bennett."

* * *

AN OLD reader, in Hespeler, Ont., expresses approval of the attitude of The Financial Post and of the Toronto Globe and other Liberal papers on Mr. King's election, worries over constitutional points and the support accorded him by professors of ancient history, the schoolmasters, the legal technicians with their volumes of precedent, all of which are gravely endorsed by the able Dafoe in the Winnipeg Free Press (no doubt with his tongue in his cheek). They all remind him, he says, of an election in early days in which the campaign raged in Ontario about the question of whether the horns and the hoofs should go with the hide. The tanners said it made little difference to them; that if the law was made compelling them to include the horns and the hoofs in weight of the hide they would simply pay that much less for the hide, but there was a fine theoretical constitutional question at stake and the farmers fought on and won and everyone was satisfied, especially the tanners, who reduced prices and made greater profits than before. But there was never a protest from the farmers. Moreover, the tanners finally found uses for the offal and prospered. He points out that a number of rich families of to-day had their beginnings in the hoof and horn election eras.

KEELEY SILVER MINES

In July 125,018 ounces of silver and 29,554 pounds of cobalt were produced by Keeley Silver Mines, Ltd. The shoot on No. 28 vein, eleventh level has reached a total length of 97 feet, averaging 2,100 ounces over six inches, and possibilities of further ore have not yet been exhausted.

IMPERIAL ROYALTIES

Dividend Notice

No. 71

Imperial Royalties Company announces that the regular Monthly Dividend of one and one-half per cent. (1½%) will be payable on August 31 to shareholders of record of August 25.

This is monthly Dividend No. 71, making a total of 127 per cent. (127%) paid to shareholders since organization in April, 1920.

K. H. Kompfe & Co.

Imperial Royalties
330 Bay St., Toronto
218 Dominion Savings Bldg.
London, Ont.

Canadian Pacific Railway Company

DIVIDEND NOTICE

At a meeting of the Board of Directors held to-day the following dividends were declared:—

On the Preference Stock, two per cent. for the half-year ended 30th June last;

On the Common Stock, two and one-half per cent. for the quarter ended 30th June last from railway revenues and Special Income;

Both dividends are payable 1st October next to Stockholders of record at three p.m. on 1st September next.

By order of the Board,
ERNEST ALEXANDER, Secretary.

Montreal, 9th August, 1926.

HOW TO ROUT SAFE BLOWERS

Duncan Mathewson, chief of detectives at San Francisco, gave a simple recipe at the annual convention of the International Association of Chiefs of Police, in Chicago, last week for routing safe-blowers. He said: "A bottle of very thin glass containing spirits of ammonia should be kept in every safe holding any great amount of money and valuables. If an acetylene torch is used in an effort to open the safe the heat will break the glass and the ammonia will drive the cracksmen away if it does not give them pneumonia."

THE

A. W. Chase Company

LIMITED

DIVIDEND NOTICE

Notice is hereby given that the regular 2% quarterly dividend on the 8 per cent. Preferred Stock of this Company has been declared for the quarter ending July 31st, 1926, payable August 10th, 1926, to shareholders of record, July 31st, 1926.

By order of the Board,
W. J. STONE, President.

Toronto, July 29th, 1926.

LOBLAW GROCETERIAS CO., Limited

The quarterly dividend of 1¾ per cent. on the Prior Preference Shares; 3% on the Second Preference Shares and 25c per share on the Common Shares of Loblaw Groceterias Co., Limited, has been declared for the quarter ending August 31st, payable September 1st, to shareholders of record at the close of business August 17th, 1926. The transfer books of the Company are to be closed from August 18th, 1926, to August 31st, 1926, both days inclusive.

By Order of the Board,
DANIEL URQUHART, Secretary.

International Petroleum Company, Limited

Notice of Dividend No. 11

NOTICE is hereby given that a dividend of 25c, United States Currency, per share has been declared, and that the same will be payable on or after the 16th day of August, 1926, in respect to the shares specified in any Bearer Share Warrants of the Company upon presentation and delivery of coupons No. 11 at the following banks:

The Royal Bank of Canada,
60 Church Street, Toronto, 2, Canada.

The Farmers' Loan and Trust Company,
22 William Street, New York, N.Y.

The Farmers' Loan and Trust Company
15 Cockspur St., London, S.W. 1, England,

OR

The Offices of the International Petroleum Company, Limited,
56 Church Street, Toronto, 2, Canada.

The payment to Shareholders of record at the close of business on the 10th day of August, 1926, and whose shares are represented by registered Certificates, will be made by cheque, mailed from the offices of the Company on the 14th day of August, 1926.

The transfer books will be closed from the 11th day of August to the 16th day of August, 1926, inclusive, and no Bearer Share Warrants will be "split" during that period.

By Order of the Board,
J. R. CLARKE, Secretary.

56 Church St., Toronto, 2, Canada.
5th August, 1926.

Imperial Oil, Limited

Dividend

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share has been declared by the Directors of Imperial Oil, Limited, and that the same will be payable in respect of shares specified in any Share Warrant of the Company within three days after the Coupon Serial Number Seven (7) of such Share Warrant has been presented and delivered to:

The Royal Bank of Canada,
Toronto, Ontario,

or at the office of:

Imperial Oil, Limited,
56 Church Street,
Toronto, Ontario,

such presentation and delivery to be made on and after the 1st day of September, 1926.

Payment to Shareholders of record at the close of business on the 14th day of August, 1926 (and whose shares are represented by Share Certificates), will be made on and after the 1st day of September, 1926.

The books of the Company for the transfer of shares will be closed from the close of business on the 14th day of August to the close of business on the 31st day of August, 1926.

By Order of the Board.
T. C. McCOBB, Secretary.

56 Church Street,
Toronto, Ont.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND of THREE per cent. upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after WEDNESDAY, the FIRST day of SEPTEMBER next, to Shareholders of record of 31st July, 1926.

By order of the Board.
FREDERICK WILLIAMS-TAYLOR, General Manager.

Montreal, 20th July, 1926.

The Royal Bank of Canada

DIVIDEND No. 156

NOTICE is hereby given that a DIVIDEND OF THREE PER CENT (being at the rate of twelve per cent per annum) upon the paid-up capital stock of this bank has been declared for the current quarter, and will be payable at the bank and its branches on and after Wednesday, the first day of September next, to shareholders of record at the close of business on the 31st day of July.

By order of the Board,
C. E. NEILL, General Manager.

Montreal, Que., July 13, 1926.

THE

Canadian Bank of Commerce

Dividend No. 158

Notice is hereby given that a dividend of Three per cent. upon the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1926, payable at the Bank and its Branches, on and after Wednesday, 1st September next, to shareholders of record at the close of business on the 16th day of August, 1926. The transfer books will not be closed.

By Order of the Board.
S. H. LOGAN, General Manager.

Toronto, 16th July, 1926.

The Bank of Toronto

Dividend No. 180

Notice is hereby given that a Dividend of Three Per Cent. for the current quarter, being at the rate of Twelve Per Cent. per annum upon the Paid-Up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the FIRST day of September next to shareholders of record at the close of business on the 14th day of August, 1926. The Transfer Books will not be closed.

By order of the Board.
JOHN R. LAMB, General Manager.

The Bank of Toronto, Toronto,
July 14th, 1926.

Business Opportunity

First class opening for young, aggressive mechanical engineer or business executive with considerable capital, in general engineering and machinery business in British Columbia. Advertiser has operated business successfully for twenty years and holds control. He has reached an age when he wishes to withdraw from active participation and desires to dispose of his controlling interest for this reason. The interest is offered at a bargain for cash. The Plant is advantageously located, the business is long established, competition is not keen and climatic conditions are pleasant.

Address Box No. 254, Financial Post,
153 University Ave.,
Toronto, Ont.

ECONOMIC ADVISOR WANTED

An Association whose members do a national business want someone to prepare a weekly letter of up-to-date information on Canadian business conditions as a whole and as they apply to their particular industry.

They are prepared to pay a liberal fee to the person who can supply them with the information in a broad, accurate, thorough way as to be a guide to them in their future production and selling plans and policies.

Address, giving details of capacity for such work and experience, in first instance

SECRETARY, Box 260,
THE FINANCIAL POST,
153 University Ave., Toronto

WANTED

A MAN WHO IS MAKING GOOD

A splendid opportunity with exceptional future is offered by a large Canadian Company to a man between 25 and 35 who, in addition to initiative, personality and adaptability, is proving in his present work that he possesses the characteristics necessary for executive responsibility. Salary will be commensurate with the qualifications of the man.

We need a man who is not only making good now, but whose ability and determination will ensure progress beyond the average. Accounting experience is desirable but not essential.

If you can meet these requirements, write Box 262, FINANCIAL POST, Toronto 2.

College Diploma No Sure Key to Business Success

Sales and Executive Ability Vary Widely in Canadian University Graduates — Practical Business Experience is Essential

By a College Man in Business.

Is the college man a success in business? Do college graduates make productive salesmen? These questions are somewhat similar to the old meaningless adage, "How Big is a Stick," yet business executives and sales managers in Canada and the United States are faced with the problem and are asking the question very seriously. They are employing men every day, and their decision is vastly important, not alone to the future of the young college graduates of Canada, but to business.

The situation relating to the employment of the non-professional college graduate in this country differs radically from that in the United States. There the question has to a very considerable degree been settled. Business executives call at the economics and business administration departments of Wharton, Harvard, Columbia, and other leading business schools, around graduation, and choose their men. The largest New York banks send their request for "six leading men from your graduating class."

In the field of salesmanship the situation differs somewhat. There are courses in salesmanship in all of the leading universities, but there is still serious doubt in the minds of many business executives as to whether salesmen are born or made. Graduation from the best course in salesmanship in the country does not guarantee success. More than this is required. Certainly college men are effective as salesmen in varying degree. A leading real estate firm in the United States recently made an exhaustive study of the question. Their records show that a total of 101 college men, employed at graduation at the close of the 1925 spring term, had earned commissions ranging from the rate of $10,100 per annum for one man, down to merely nominal amounts for many others. The other 100 men stayed with the real estate firm for periods ranging from one day to three months, and earned commissions up to $950. Many of them earned nothing. Their aggregate earnings during a total employed period of 1,296 days was $1,310. The average employed period for each man was twelve days, and the total earned commission for that time averaged $12.

Still Wants College Men

The experiment was not taken as a final indictment against the college man. The firm is still employing a large number of young graduates. In commenting on the whole situation recently, the president of the firm in question said:

"Last year, when I sent a letter to the officials of a number of eastern colleges, offering to take promising graduates into our organization for a course of salesmanship training, and to give them permanent employment if they qualified, I believed I had found a ready solution to an important problem.

"The necessity of developing highly efficient salesman is not confined to the real estate business; it is a problem faced by the major executive in every industry. Every one is selling something—merchandise, personal service, etc. Production to-day is easily achieved. It is the man who can create a market for this production who to-day can practically name his own salary. As a result, good salesmen are scarce, for every business in the country is competing with every other business for the services of men who can sell successfully. In my own group of 600 salesmen are many earning more than $15,000 a year.

"We are still experimenting with the employment of recent college graduates in an effort to find men suitable for our purpose. The man who made ten thousand dollars during his first year is a westerner who worked part of his way through school and came to New York without knowing a soul here. He had no so-called streak of luck. He simply had courage and was not afraid of hard work and wearing out shoe leather. To-day at 22 he is one of our crew managers. This next year he probably will earn at least $15,000."

Teaching Student to Think

In Canada the college man problem is quite different. In the first place, the Canadian university holds more closely to British tradition of cultural learning. Primarily, the object is to teach the student to think rather than to familiarize him with the actual problems which he will face, and give him a solution in advance. Most of the Canadian universities still frown on what they consider ultra-practical forms of education. As a result, most of these institutions are more divorced from business than their sister colleges across the border. It is inconceivable, for example, to think of the larger United States universities appealing to their graduates for financial support after the fashion followed at the moment by certain Canadian institutions. Some of them need funds just as badly, but all that is necessary is an appeal to the big business and industrial concerns of the country and the funds are obtained.

Then there is a sharp contrast between the professional types in the two countries. In the United States it is not uncommon to see the professor of economics employed as advisor to the large bank or public utility corporation. He is called as mediator in labor disputes. He is highly regarded in business circles as an authority on the practical side of his work. This is rare in Canada.

Hesitate to Employ College Men

How does all this relate to the employment and the productiveness of the college man? Decidedly there is a greater hesitancy on the part of the average Canadian business concern in taking on the inexperienced college man than is the case in the States. The bond house and the brokerage office are among the leading fields for the young graduate in Canada. Then the insurance companies are finding that they can use a larger number each year. To date, the banks have been using a surprisingly small number of college men since they have followed the policy of training a man from the bottom. As salesmen in real estate, and other fields, the Canadian university graduate has not been an unqualified success. In the field of general business executives a large number of college men are found, but it is usually after a long period of experience that such pinnacles are reached. Many of them have found it hard to learn that a mere college diploma did not make them productive business men. Many have found it hard to adapt themselves. Others were slow to see that their superior knowledge was probably superior in theory only. Granting their willingness to learn these things, and the willingness of the employer to break down any prejudice he may have had against the college man—and there are such prejudices—there is no fear of the college man ultimately working into the business machine in one or another capacity. Especially will this be true as the universities gradually modify their views on the suitability of a purely cultural training in a young industrial nation striving for a commercial place in the sun.

FLORIDA BANKS TO RE-OPEN

NEW YORK.—Plans for re-opening a number of the banks recently suspended in Florida are progressing satisfactorily, according to State Comptroller Ernest Amos. Telegraphic reports from the examiners at several points indicate that re-opening plans would be completed on or before August 15.

Electrical Energy in the City of Montreal

RELIABLE Six (6) Hydro-Electric Power plants and large steam plant Reserve.

CONTINUOUS Available for use 24 hours per day and every day. No restrictions.

UNLIMITED Approximately 300,000 H. P. available.

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Inquiry Requested. Address to Power Bldg., 83 Craig St. West, Tel. Main 4040. Montreal

Bureau of Canadian Information

Ask the Canadian Pacific about Canada — Canadian Pacific Railway

THE Canadian Pacific Railway through its Bureau of Canadian Information, will furnish you with the latest reliable information on every phase of industrial and agricultural development in Canada. In our Reference Library, maintained at Montreal, are complete data on natural resources, climate, labor, transportation, business openings, etc. Additional data are constantly being added.

Development Branch—If you are interested in the mining wealth and industry of Canada or in the development or supply of industrial raw materials available from resources along the Canadian Pacific Railway, you are invited to consult this Branch. An expert staff is maintained to investigate information relative to these resources and examine deposits in the field. Practical information is available as to special opportunities for development, use of by-products and markets, industrial crops, prospecting and mining.

"Ask the Canadian Pacific about Canada" is not a mere advertising slogan. It is an intimation of service—without charge or obligation—that the information is available and will be promptly forthcoming to those who desire it.

Canadian Pacific Railway Company

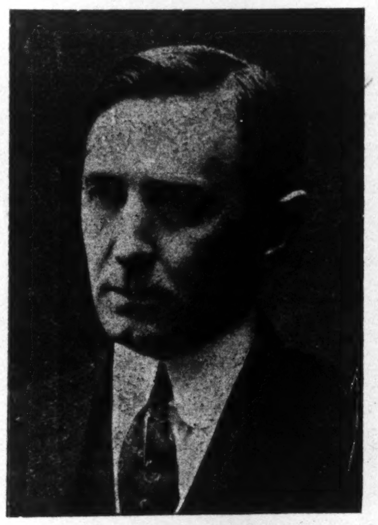
Department Colonization and Development.

J. S. DENNIS, Chief Commissioner. Windsor Station, Montreal, Can.

Barefoot Boy, School Teacher, World Financier, E. R. Peacock is Back on Canadian Board

By FLOYD S. CHALMERS.

ONE has gotten somewhere when one has been elected a director of the Bank of England; it is the world's greatest banking institution. One has achieved something when one has been invited to sit around the board of the Canadian Pacific Railway Company; it is the greatest transportation company in the world. E. R. Peacock has gained both honors. He was for several years a director of the institution that is taken as the world's standard of strength and reliability and only retired in order that his partner in British and world finance could hold the post. Now Peacock has been made a director of the C.P.R. and the man who was actually the barefoot youngster of tradition has made another conquest. He is 55 now and has struggled with life for 45 years.



E. R. PEACOCK

Was Struggling Minister's Son

Peacock's father was a Congregational minister in a small Glengarry hamlet that was as uninviting as its name and its name was Indian Lands. The father met with an accident and eventually died as a result of it, leaving Peacock's mother to battle the world with four small children, of whom Edward was the oldest. He was ten, just old enough to take a hand in things and family tradition records that he did.

He went to school but worked at a score of odd jobs outside of school hours until eventually he had gone through Queen's university with honors. He could hardly complain that he did not get varied enough experience, since he was secretary of a country fair, editor of the Almonte Gazette, handyman in an elevator, (shovelling peas as he now shovels gold dollars) and even conductor on a street car in Montreal, where he collected the fares but could not collect his last week's salary when the line went broke.

School-teaching to Finance

Peacock became a teacher. He was senior house man at Upper Canada College, Toronto, from 1895 to 1902, where he kept prep school boys in order and dabbled in economic writings to good effect.

The year 1902 was the turning point in his career. He went to E. R. Wood. of the Dominion Securities Corporation, and asked for a job. Wood showed that same rare discrimination that has enabled him to pick one good man after another and he made Peacock his private secretary. He made him take a smaller salary than he had been getting at Upper Canada, which was good for the embryo financier's soul. Soon he went out on the road to sell bonds and after a few months of carrying unused dotted lines around the country he established himself, becoming a successful salesman of securities. He was given encouragement by Mr. Wood in the responsibility of making good, which is that financial general's way of handling men. "There's your job. Don't ask me how to do it but do it," is what he told Peacock, no doubt, since that is what he has told his men from the start.

Probably that is what he told Peacock when he sent him to England to be manager of their London office only six years after he had joined the firm.

London was just about big enough for Mr. Peacock. Shortly after the war he became head of the Brazilian Traction group of enterprises. He became head also of the Mexican Light and Mexican Tramway enterprises and of the Barcelona Traction. He went into a partnership in Baring Brothers and Company, international bankers, with vast interests in South American railways and developments of one kind and another all over the world.

Peacock has a world outlook on finance; and an intimate knowledge of railways and public utilities. He should be a tower of strength to the C.P.R. Canada is glad to get him back on a strictly Canadian board.

Revised Publication on C. N. R. Minerals

A revised edition of Canadian National Railway's booklet on the mineral resources along its lines has been issued. It is a medium that should attract a great deal of attention to the country's potential mineral wealth and reflects great credit on Cyril T. Young, Supt. of Development. The new edition is much larger than the first issue. It contains many maps and tabulated information which merit wide publicity here in the Dominion. What the north country needs most at present, the booket points out, is development money. Prospectors are enquiring daily of the C.N.R. about new and promising sections along the lines asking where they can get summer grub stakes, where they can get partners for development work in Rouyn, Red Lake and elsewhere. Those who can afford to risk some development money might well give the north country favorable consideration.

The increasing confidence placed in engineers with Canadian experience and mining men of standing engaged in developing resources in Canada, permitting them to cope with situations as they find them on the ground, is bringing better results than the old policy.

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ADDITIONAL ISSUE

$600,000

Canada Biscuit Company, Limited

First Mortgage 6½% Sinking Fund Gold Bonds

Series "A"

Dated May 1, 1926 — Due May 1, 1946

Total authorized issue $2,500,000 **To be presently outstanding $2,200,000**

For information regarding these bonds, Mr. Frank A. McCormick, President of the Company, summarizes his letter to us as follows:

COMPANY AND PROPERTIES

The Canada Biscuit Company, Limited, which is the largest manufacturer and distributor of biscuits, confectionery and allied products in Canada, was incorporated in April 1926, being a consolidation of five long established and successful companies, as follows:

McCormick Manufacturing Company, Limited, London, Ontario;
Paulin-Chambers Company, Limited, Winnipeg, Manitoba;
J. A. Marven, Limited, Moncton, New Brunswick;
Montreal Biscuit Company, Limited, Montreal, Quebec;
North West Mill and Feed Company Limited, Edmonton, Alberta.

The Company has purchased the business and assets of

North West Biscuit Company Limited, Edmonton, Alberta.
D. S. Perrin & Company, Limited, London, Ontario;

All these Companies have a record of successful operation of many years standing and are situated strategically throughout Canada at such points as to insure economy of manufacture and distribution on a Dominion-wide basis.

PURPOSE OF ISSUE

The proceeds of this issue of $600,000 bonds will be used in part payment for additional properties acquired, for redemption of all existing mortgages, and to furnish the company with additional working capital. Approximately 67% in the equity of the constituent companies has been acquired in exchange for stock junior to this bond issue.

ASSETS

Fixed assets at replacement values less depreciation as appraised by the Canadian Appraisal Company, Limited, amount to $4,734,640. The balance sheet of the Company as at December 31, 1925, including the constituent companies and after giving effect to the present financing, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, Montreal, shows net current assets amounting to $1,961,538. Net tangible assets amount to $6,696,178 or $3,044 for each $1,000 bond outstanding.

EARNINGS

Net earnings available for bond interest, depreciation and Federal taxes, after deducting all operating charges, maintenance and repairs, as certified by Messrs. P. S. Ross & Sons, Chartered Accountants, have been as follows:—

Average Annual Earnings 7 years ending December 31, 1925	$586,532
Average Annual Earnings 3 years ending December 31, 1925	494,812
For year ending December 31, 1925	508,301

Interest requirements on total bonds issued amounting to $143,000 per annum, were earned on the average over 4 times for the seven year period, and approximately 3½ times for the three year period and for the year 1925.

The management estimate that the economies in production, shipping, warehousing, selling and management, resulting from the merger, will increase the net earnings very substantially.

We offer the above bonds when, as and if issued and received by us and subject to approval of all legal details by Messrs. Brown, Montgomery & McMichael and Greenshields, Greenshields, Sinclair & Allan for the Bankers, and Messrs. Ivey, Elliot & Gillanders for the Company. It is expected that bonds will be ready for delivery on or about September 1, 1926.

PRICE: 100 and accrued interest to yield 6½%

Greenshields & Co **Dominion Securities Corporation LIMITED**

The statements contained in the above are not guaranteed, but are based upon information which we believe to be reliable and on which we acted in purchasing these securities.

13

News of the Mines: *A Department for Executives and Investors*

Conducted by DANIEL E. CUSHING, Mining Editor, The Financial Post.

Rouyn District Booming According to Dr. Cooke

Great Triangle, Bounded by Waite - Montgomery on North, Horne on East and Towagamac on West, a Hive of Activity.

Rouyn district is booming, according to reports recently received from Dr. H. C. Cooke, of the Geological Survey, Department of Mines, Ottawa, Canada. In addition to the mining operations being carried on at the more important properties, assessment work and detailed exploration are being done on most of the groups of claims within the possible copper-bearing area. The district to which attention is particularly directed at present is the great triangle whose corners are the Horne property on the south, the Waite-Montgomery claims on the north, and the Alderson-Mackay discoveries eight or nine miles to the west of the Horne. Many companies, among which might be mentioned the Consolidated Mining and Smelting Co., Area Mining Co., Duprat Mines, Stadacona, and the Victoria Syndicate, have one or more prospecting parties in this district. Roads and trails have been cut, and small creeks cleared of logs and brush to permit the passage of canoes, so that most of this once inaccessible district can now be traversed without undue difficulty. A telephone line has recently been erected to connect the various camps with each other and with the outside world, so that one can now lift a receiver in Toronto or Montreal and obtain the latest news from any of the principal camps.

Rushing Railway Line

Developments other than prospecting are largely marking time, pending the completion of the railroad, which is being rapidly pushed, although delayed considerably by the unseasonably wet weather. The grading is now well under way, and it is hoped that the rail will be laid into Rouyn by the first of December.

The road under construction by the Quebec government from Makamik to Rouyn is in much the same condition. The north half has been graded and surfaced, and is now in use, but grading is not yet completed on the south half. As gravel for surfacing must be brought in from a distance, it is unlikely that the road will be completed this summer.

Rouyn village has grown rapidly during the past year. It now boasts some 400 buildings, mostly of log or frame construction. The Royal Bank of Canada, the Canadian Bank of Commerce and Banque Canadienne Nationale all have branches here; a large and well-constructed public school has been created; there are now a Roman Catholic and an Anglican Church; and a hospital is under construction. Many stores, including hardware stores and drug stores, make it possible to purchase supplies of all kinds on the spot.

Delay in Horne Smelter

The Horne mine is steadily continuing its development. Work during the past few months has been largely concentrated on the 300-foot level and further large tonnages of ore have been proved up. The foundations for the smelter are being laid, using gravel and cement hauled in during the winter. The greater part of the construction must of course await the completion of the railroad, and according to the latest reports the first unit can hardly be completed until early in 1928. The first unit as planned will handle 1,000 tons daily, and if desired other units may be added to a total of 4,000 tons per day.

On the Waite-Montgomery property drilling has been completed for the present and a large body of copper and zinc ore has been outlined. It is unlikely that mining will commence until the completion of the railroad and of the Horne smelter, where the ore will probably be sent for reduction. In the meantime buildings have been erected to house a force of 75 men, and prospecting for further orebodies is being vigorously prosecuted by magnetometric observations.

On the Amulet claims a shaft is being sunk on a new orebody discovered during the past winter, and is now at a depth of about 100 feet. Exploratory drilling is also being carried on.

Much interest is taken throughout the district in the development of the Towagamac (Alderson-Mackay) discoveries in Boischatel township. In addition to the three large veins of disseminated ore previously found, drilling during the winter has established the existence of a large lens of almost solid copper sulphite some 50 feet thick. The presence of all these veins was first indicated by dip needle observations. The efficiency of this method of prospecting is becoming increasingly recognized, with the result that magnetic observations are being systematically made on almost all the properties throughout the district.

Diamond Drill Has Encountered Rich Ore

Diamond drilling on the property of Alderson and MacKay, in Boischatel Township, in the Rouyn district of Quebec, has revealed a large deposit of chalcopyrite. Of the last three holes put down on No. 4 orebody the lower hole cut 38 ft. of massive chalcopyrite and pyrrhotite at a depth of 300 ft. below the surface. The centre hole cut through 56 ft. of massive ore, and the top hole cut through 37 ft. ore. No. 4 orebody was found with a dip needle. The readings indicate that the body is large and extends a long distance to the east. Some news on latest values is expected shortly.

QUEBEC FIELD SHOULD PROVIDE SOME GOOD NEWS BY EARLY FALL

Dr. Cooke, of the Geological Survey, who is spending the summer in the Quebec field, says N. W. Quebec is booming. There is great activity in the area, especially in that section bounded by Noranda in Rouyn Tp., on the east, Waite-Montgomery in Duprat Tp. on the north and Towagamac or Alderson-MacKay, in Boischatel Tp. on the west.

Within the boundaries of this triangle are numerous important properties that are making excellent progress in exploration. In addition, there are many interesting ventures along the outside of the triangle, some of which Dr. Cooke mentions, as will be seen from the accompanying report.

An engineer who made a very careful study of the Quebec field and visited practically every find made, is reported as declaring that there were 200 finds in Quebec that warranted the expenditure of funds to test them out. A great many of these finds are now being explored and by fall there should be considerable good news coming from the Quebec camp.

Horne Smelter Unit Will Not be Ready Until 1928

The article on this page about Quebec will have two little disappointments for some. One is that the railway will not be ready until Dec. 1, but No. 2, about the Horne, will be the greatest. It is to the effect that the first smelter unit will hardly be ready before 1928. The last news was that it would be ready by May, 1927. Accepting the latest date as being correct would probably mean that Noranda shareholders could not reasonably expect a dividend until after a full year of operation, or 1929.

KIRK GOLD AND OSWEGO TO JOIN

Following spectacular developments in diamond drilling on the 300-ft. level of its property, in which a 50-ft. ore body with a rich three-foot pay streak was cut, Kirk Gold has proposed to form a new company called Conroyal, and to take in the adjoining Oswego properties to the east.

Conroyal, the new company, will be capitalized at 7,500,000 shares of no par value. It will have the Kirk Gold 130 acres and the Oswego 160 acres, or 290 acres in all. Its western boundary will be the eastern boundary of Queen Lebel at the end of Gull Lake.

The diamond drill hole was a lateral work from the 300-ft. level, and, in the hanging wall of the 50-ft. mineralized zone, the paystreak of close to three feet assays $35.13. The vein cut has been opened up almost across the width of a claim on surface and shows an average width of around 10 ft. It is known to extend onto the Oswego, and this will give the new company a length of 4,000 ft. on the strike of the vein. Fairly consistent values have been encountered in surface sampling, $5.60 over 4 ft. and $5.20 over 3 ft.

Immediately this was encountered, and before the plans for the new company were made, Kirk Gold offered shareholders 100,000 shares at 30 cents. In less than a week the issue was oversubscribed by 30,000.

Kirk Gold shareholders will receive share for share in the new company, or 4,500,000 shares. They are called upon to meet Saturday to ratify the proposal, and are to be asked to agree to pool their new shares until Jan., 1928, or such earlier date as the directors may determine.

VIPOND CONSOLIDATED

Vipond Consolidated Mines, Ltd., during July treated 7,404 tons of ore and bullion to the value of $54,242 was shipped. The mine and mill were synchronized for higher tonnage, and the daily average during July was 239 tons. It is expected that a 300-ton daily basis will be reached shortly. Underground developments are progressing favorably.

CANADIAN LORRAIN

During July a carload of high-grade ore, amounting to 30 tons and valued at approximately $40,000, was shipped to the smelter by Canadian Lorrain mines. Work during the month has been concentrated on mill construction. Underground development is progressing steadily.

Dome Mines

Is this company's position as critical as it may appear?

Read our analysis of present conditions in the current issue of

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Fiske Mines Erecting Camp on No. 3 Group

Developments on Fiske Gold Mines holdings in Rouyn are being carried on with satisfactory results. No. 1 property, adjoining Don Rouyn both of which are adjacent to Noranda, and lies between Amulet "C" property and Stadacona, shows indications that the same ore zones extend into the Fiske property from which high copper values were obtained on the Don Rouyn by diamond drilling.

Preliminary surface work is now about completed on block No. 1, and an immediate intensive development campaign is planned in order to prove surface indications at depth.

Camp buildings are now being erected on block No. 3 of the company's holdings which lies directly south of the Noranda, and a force of men will be put to work immediately to further develop promising showings of copper and gold located on this property.

RICH DISCOVERY IN N. MANITOBA STARTS PROSPECTORS' RACE

A spectacular new mining discovery has been made in the district about 60 miles east of Mile 137 on the Hudson Bay Railway and in the neighborhood of Oxford Lake, says The Pas Herald.

Surface development work, stripping, pitting, channelling and sampling have been done on the original discoveries. These are reported as showing up so well that the Americans plan to blanket the country in the neighborhood of the original find.

While little has as yet been revealed regarding the nature of the find, it is reported to be a very rich "complex ore," like that at Rouyn and Flin Flon, richer than Flin Flon, but not so rich on surface as Rouyn's best.

More than a touch of romance has been lent to the discovery by a dispute between the partners, J. Burton Sullivan and Jim Morrison. The prospectors went to Minneapolis to secure funds for development work. While there, the split took place and Morrison, accompanied by a party of 10 Americans, started north to blanket the country.

Sullivan, an ex-member of the provincial police and formerly stationed at Norway House, followed them up accompanied by the McClachley brothers, who were in on the deal. They arrived in Winnipeg shortly after the others and found they had sailed from Selkirk for Norway House. Failing in their efforts to obtain an aeroplane to beat the other party in, they boarded the first train leaving for The Pas and on arrival here rushed out north. Sullivan was at home in The Pas and everything was lined up for a fast trip in a remarkably short time. Others entered into the spirit of the game and assisted all they could. The party of three left here confident that, by day and night traveling, they could beat the other outfit to it. Sullivan knows the country like a book. He claims that he and his partners held six claims on the richest part of an island on Oxford Lake and he has no intention of allowing the others to stake over it. The outcome of the race will be watched with much interest by mining men and others in the north.

The property is reported to contain a complex ore, something similar to the Flin Flon and Cold Lake properties, but considerably richer.

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WILL CASTLE TAKE OVER THE CAPITOL?

Looks Like Inspired Article Appearing in Moysey's Market Letter

For a long time there has been talk that Capitol and Castle may amalgamate. At one time it was freely stated that Castle would take over Capitol, giving one share of Castle for four of Capitol. The talk has been revived. In a current issue of Moysey and Co. market letter there is an article on the subject which strikes the writer as being inspired, inasmuch as the Moysey firm is quite close to some of the leaders in both companies. Some of the important statements made follow:

"What is the story that the market is telling in connection with Capitol Silver Mines? Ever since this company temporarily suspended operations last fall, the persistent, and, at times, aggressive strength in the stock has been the cause of considerable speculation and wonder. Somebody is buying Capitol Silver. There seems no doubt about that. But who these interests are that have been persistently picking up this stock is not definitely known. Recently it has been rumored in certain financial circles that interests closely associated with J. P. Bickell have been steadily acquiring shares in both Capitol Silver and Castle-Trethewey Mines.

"There is a strong bond of relationship between Capitol Silver and Castle-Trethewey Mines, and the possibility of a consolidation of these two companies has come up for discussion many times in the past. Capitol's immense property holdings in the famous Gowganda silver area, consisting of close to 800 acres, the largest holdings of any one company in the field, directly adjoin those of Castle-Trethewey, and the managements of both companies are practically identical, J. P. Bickell, the well-known mine operator, being president of both companies.

"Reports have been frequent that some of the valuable silver veins of Castle-Trethewey dip into the Capitol properties, and it has been pointed out that, should these companies unite, it would be possible to crosscut into Capitol's holdings, thereby eliminating considerable expense in their shaft-sinking. Right now, a thorough examination of Capitol's properties is being carried out under the direction of Dr. A. R. Whitman, famous for his work at the Temiskaming, McIntyre and Castle-Trethewey mines. The company is preparing to resume operations, and definite news about its future plans may be forthcoming at almost any time now."

PETERSON LAKE UNWATERING

The water has been pumped out of Peterson Lake Little Nipissing shaft to below 100 ft., and the end of the week will see it below the 155-ft. level and exploration started.

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Goudreau Pyrite Mine Will be Worked Again

The report from the Goudreau country that the Grasselli Chemical Co., Cleveland, has taken up the Holdsworth pyrite claims at Hawk Junction is of ranking importance. Diamond drilling is to be done.

Algoma Steel, some eight years ago, put down 22 holes on this property and a sulphur content 40 to 50 per cent. was revealed in the pyrite bodies cut. Two good lenses were indicated. There are several other pyrite properties in the section and this will likely focus attention on them. Under previous operations power was produced by steam. Electric energy is now available and this should cut costs. Sulphur prices have strengthened materially of late.

New Lorrain Operation By Mining Corporation

Mining Corporation has taken up new holdings in South Lorrain. Buildings are now being erected on claims situated more than a half a mile south of the Nipissing group. It is proposed to sink a shaft as far as the contact, which will be explored thoroughly. The geology of these claims presents similar features to the formation of the most productive areas of the Cobalt camp.

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News of the Mines

OPERATIONS IN BOSTON CREEK LOOKING WELL

Gold Hill Making Good Progress—New Plant Ordered

WATCHING BARRY

Believe That Present Year Will Tell the Story—Hill Top Has Long Vein

From Our Own Correspondent

BOSTON CREEK, Ont.—After being in eclipse for some years, following a few under-financed efforts to bring in mines, Boston Creek is having the greatest testing and the best opportunity to prove its value as a producing area since the original staking, much of which was done in advance of Kirkland Lake activity.

While the Boston Creekers trust in and boost for Barry Hollinger, believing that the property is now on a better basis than at any time in its history, they take it for granted that Barry will not go ahead as a producer for a year, at least, and that the best ore supply will come as a result of the present deeper mining program. Barry, so they believe, will either come in as a really dependable producer this year or definitely come to the limit of its possibilities. Certainly the present manager, L. B. Smith, M.E., who came from the Western U. S. to direct operations, believes that Barry has prospects away beyond those so far indicated, and an outlook for production that will surprise the mining fraternity.

But it is to Gold Hill and Hilltop that the district looks for a very definite certificate of standing among the mining camps of the north.

Gold Hill has had both wonderful luck and good management from the start. When Dave Angus, the present manager, placed a $50,000 bet on this property, he got from every man jack in his crew a big day's work for the money. And the same spirit prevails to-day. It is hard to find in the north a better bunch of men than those Dan Hughes has directed as contractor since the shaft was commenced. Most of them have been with him for years—and they certainly make the footage. Also, nearly every man working at Gold Hill from Mr. Angus down to the cookee, is a shareholder.

Little Dead Work

Gold Hill has had less dead work on its main vein than any other property in the north. The vein remained vertically in the shaft to 322 feet and its dip has been so gradual that at 700 feet it was only 45 feet from the shaft.

Recently contracts were let for a new mining plant similar to that at Wright-Hargreaves, to the Canadian Ingersoll Rand Co., Ltd., and Reg. Southbee, the firm's engineer, has been at the property preparing for installation. The present plant will take the shaft to 800 feet and by that time the new plant will be ready to go in.

Long & Ross, of Sault Ste. Marie, who built the Hollinger power line to Island Falls, have been given a contract for two miles of power line to Gold Hill. This will run from the end of the Northern Canada extension into Miller Independence. The line will cross the Hilltop property for a distance of a mile, making power available for Gold Hill's running mate.

Milling for Gold Hill will await on development. With the new plant all levels will be opened up and stoping commenced. The shaft will be sunk at the same time to 1,500 feet and it it probable that after 1,000 feet has been reached, possibly 800 feet, milling plans will be considered. Gold Hill has a substantial ore dump and has its ore proved to 700 feet vertically and for 400 feet on the only level opened up for a long distance.

Widened With Depth

At the 400-foot level the indication was that the rake of the two wider shoots would leave the lower levels near the shaft in a lean spot between shoots. But at every level the vein has been cut and wider and richer than at upper levels. The indication is that the westerly shoot has lengthened to the east. Gold Hill has ore on every face drifted on, and at the sixth and seventh levels the east face is looking much stronger.

The porphyry recently encountered is an interesting development at the property.

Hilltop, working on the long extension to the west on the Gold Hill vein system, is already down 20 feet on its first shaft. The vein which is struck at a level lower than the Gold Hill apex, has widened to about four feet in all, with seven showings of highly mineralized quartz through the schisting. The vein is very rich in fine free gold.

Sink Second Shaft

Hilltop will sink a second shaft 1,000 feet west of the first on another gold showing extending for hundreds of feet. The entire plant and building equipment is being put on the property by a force of machine men and carpenters.

The Hilltop vein system was uncovered by George Tough last summer. More than 16,000 feet of trenching and stripping was done, and the result of this thorough surface work was to show the main break for a distance of a mile and one-eighth. Hilltop comprises 480 acres. Twenty-nine veins have been found, several of which run through Gold Hill. One that parallels the main vein has given excellent values.

G. E. Sylvester, M.E., formerly of the International Nickel Co., is diamond drilling the Ostrom Gold Mines property and results up to date are said to be highly satisfactory.

There is no boom in Boston Creek, but the two latest large developments are most encouraging and in strong position financially.

McLEOD WELL GAS FLOW IS HEAVIER

Jumped to 17,000,000 Feet While Pressure Shows Material Increase Also

McLeod No. 2 well at Turner Valley registered a flow of 17,000,000 ft. of gas, during the past week when fishing operations located the bit in the botton of the well. There has been a permanent increase in the flow by 2,000,000 ft. to 12,500,000 ft., since the writer visited the fields recently.

Advices from Calgary are to the effect that the McLeod gas runs 83 beaume, while that of Royalite Four tested 72. The latter has a heavier flow of gas, however.

In recent fishing operations in the McLeod, it was found necessary to grind down the socket of the fishing tool to enable the gas to pass it and during the fishing operation this became broken leaving about four inches in the well. Pressure in the well with the outlet valve open continues around 600 lbs. to the square inch. With the valve closed it moved up to 11,650 lbs. in 12 minutes.

No news about Vulcan has come from the West of late.

MINING STOCK QUOTATIONS
Week Ending August 10

	High for wk.	Low for wk.	Close Aug. 10	Close Aug. 3	Sales for wk.
Amulet	1.40	1.32	1.32	1.37	83530
Apex	3¼	3	3	3	5500
Algonquin	4	3	3	4	6000
Argo. Cons.	22	19½	21	20	46100
Atlas	3½	2½	2½	3½	2600
Area	33½	30¾	30¾	33¾	74430
Baldwin	3⅜	3	3	3¼	56850
Barry Holl.	55	50½	55	50½	39125
Beaver	81	75	81	75	30550
Bidgood	5½	5	5	5	4500
Bourlamaque	1.06	1.03	1.05	1.03	20100
Can. Lorrain	91	85½	88	86	24610
Capitol	38	35½	36	37¾	38300
Castle Tre.	1.54	1.51	1.53	1.51	14806
Chaput H.	7½	6	7½	7	3700
Clifton	3	2	2	3	7500
Coniagas	4.50	3,85	4.30	3.88	5755
Coniarum	3.25	3.00	3.25	3.25	513
Col. Kirkland	2⅝	2½	2½	2⅝	4600
Cons. Smelters	238½	224	230½	219⅝	27741
Cons. W. Dome	15½	15	15¼	15¾	32388
Crown Res.	9½	9	9⅛	9	10000
Fiske	14	13	13	..	1000
Dome Mines	11.70	11.00	11.40	11.60	6655
Duprat	12	10	10	13	12550
Dupuy	30	28¾	28¾	32½	8900
Everett	6½	6¼	6½	6	2000
Gold Hill	67½	60	65	66½	172213
Goldale	28¾	27	28½	27	14000
Gold Reef	2	1¾	2	1½	2060
Hill Top	31	30	30	30½	20250
G. Daley	32½	30	31	30½	4600
Hollinger	19.60	18.45	19.30	19.65	1770
Kirk Hunton	13½	12	13	13½	13200
Indian	5¼	5¼	5¼	5	7500
Laval	25½	24	24¾	24	28300
Int. Nick. Com.	38	37	37	38	1370
Keeley	1.69	1.65	1.69	1.67	10350
Keora	20½	19¾	19¾	20½	38400
Keora Porc.	10¼	9¾	9¾	10	24500
Kirk. Lake	1.10	.92¾	1.09	.93½	96325
Lakeside	3	2	2	2½	21000
Lake Shore	12.60	12.00	12.60	12.07	4655
La Rose	10½	10½	10½	9⅞	2000
Lorrain	4	4	4	4	24500
Lorrain T. L.	50	50	50	50	500
McKinley	14¼	14	14	13½	4500
McIntyre	25.60	25.00	25.30	25.25	2346
Jay-C'per	74?	73	73¾	..	18600
Millcrest	8	6	6	10	14000
Mining Corp.	4.05	3.96	3.97	4.10	8820
Moneta	14	14	14	14¼	3000
Montreal R.	14¾	13	13	12	3500
Noranda	17.45	16.75	17.40	16.99	17254
Newray	34	32	32	34	4000
Nipissing	5.55	5.40	5.50	5.40	1900
Night Hawk	8	7½	8	7½	1800
Ophir	2⅛	2⅛	2⅛	2	1000
Peter. Lake	5¾	5	5½	5⅛	42700
Porc. Crown	7	7	7	6½	1500
Premier Gold	2.19	2.13	2.15	2.15	5950
Preston	7	6⅝	7	6½	17500
Stadacona	43	42	42	43	17575
Tagamac	3.70	3.50	3.50	..	1860
Teck Hughes	3.89	3.85	3.89	3.88	26235
Thomp. Krist	2½	2	2½	2	8000
Tough Oakes	41½	38½	41½	39	38050
Vic. Silver	5½	4	5	5	22000
Vickers	51	51	51	42	3000
Vipond Cons.	1.80	1.76	1.78	1.77	27905
West Tree	3	2½	3	2½	8500
Wettlaufer	5	5	5	5½	500
Wright Har.	8.65	8.00	8.25	8.35	4168
Wigwam	6	6	6	8	500

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Eleven Feet of Well Saturated Oil Sand In Wainwright Well

EDMONTON.—Western Consolidated Oil Co. in drilling its No. 2 well struck eleven feet of highly saturated oil sand at a depth of 2,219 feet on Tuesday. The drillers are now setting the casing and will cement the casing in on Thursday and drill out the plugs next Tuesday. Coring will then proceed and the end of next week should make the possibilities of this Wainwright operation known.

OIL DEVELOPMENT VERY AGGRESSIVE

Companies Are Playing Fair and Putting Money into Ground

Many who have been watching the market in Calgary oil stocks have been disappointed of late owing to the weakness in prices. The Calgary Herald after pointing this out calls attention to the very important fact that no matter what the ups and downs of the market are oil development in Western Canada is proceeding on a scale never before attempted.

Each week sees one or more new wells "spudded in" on the structures mapped in various localities; each day tells a story of more footage made by many wells being sunk in search of the pay sands. That is the big difference between the old oil boom days and the new development which is attracting attention in oil circles all over the world.

It must be said of the companies engaged in active development work so far, that the great bulk of them have kept faith with the public. That is, they are putting the money raised from the public into the actual drilling of the wells. So long as this policy is pursued, the average investor will be found standing behind the companies to the limit; if the holes, when completed, are "dry," that is merely the fortune of war. It is the fact of whether or not they are drilled that interests the investor.

The failure of some of the stocks to respond largely to the "bringing in" of the McLeod No. 2 well as a producer was disappointing to many speculators, but it cannot be denied that in the long run, the failure of a new boom to develop at this moment is perhaps one of the best features in the new development.

It means that the public is growing cautious in the buying of oil stocks; that the man who has some money to put into such a long gamble—for it can be nothing else in the nature of things—is looking ahead a little to the days of actual production. The answer to this problem for companies attempting to finance new drilling is that they must offer better and better propositions to the investor if they want to use his money; in short, they must let the public in on precisely the same basis as the promoter. This dictum will become more and more apparent as development proceeds.

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AMERICAN INTERESTS IN BOISCHATEL GROUP

Large Holding in Important Township Looks Quite Interesting

Rouyn-Boischatel Development Co., operating in Township of Boischatel, is getting satisfactory results in opening up its property. The company's holdings consist of approximately 840 acres, 600 acres of which are located about three quarters of a mile west of the eastern boundary and a little north of the east and west centre line of Boischatel Township, the other 240 acres being located in the north-east corner of Boischatel. The main group of 600 acres is situated on the main break extending westward from the Noranda and is about midway between Noranda and Alderson-McKay (Towagmac). A preliminary survey has disclosed three large ore bodies and is being followed up by trenching and surface work in preparation for a further intensive development campaign.

On one of the claims in the northern group, a well mineralized sheared zone carrying chalcopyrite and bornite has been cut. A dip-needle and magnetometer survey is being made over the other claims in this group. American mining interests are associated with the development of these properties.

Argonaut Encounters Rich Vein at 1,000-Ft.

A discovery of importance was made a few days ago by Argonaut Consolidated when a high grade vein was encountered on the 1,000-ft. level, says a wire to A. E. Moysey Co. It has been opened up for a length of 35 feet and is 7⅛ feet wide with ore assaying $12 in gold and $18 in copper. This would mean about 6½ per cent. copper. The vein structure is adjudged by the mine manager as clearly indicating the zone of major enrichment at Argonaut is deep and that apparently only the top of the section has now just been entered. Vice-president Naud, now at the mine, is highly enthusiastic over conditions at depth and states that production is steadily increasing.

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Saskatchewan Gets First Oil Well: Struck at Unity

SASKATOON.—Oil of 32 gravity estimated at 30 to 50 barrels a day, was struck by the Unity Valley Oil Co., 15 miles northwest of Unity, Sask., at 1,250 feet. The well was first spudded on June 16, and is working on a 12-inch hole. Drilling operations have been resumed in an effort to reach the secondary sands. R. H. Brecken, operator in the Kevin-Sunburst field, is head of the company, which is operating a modern rotary drilling rig with a crew of eight men.

It is the first oil well to be brought in, in Saskatchewan.

HIGH GOLD CONTENT

A large sample of mineralized quartz sent out from the Cabot Tp. property of Porcupine-Kirkand mines, for testing purposes ran $260.70 in gold and also gave silver showings. There was no visible gold.

SPLIT STOCK 10 FOR 1

Shares of Bourlanique Syndicate, which have been selling around $10, have been split 10 new for one old. The new capitalization is 500,000 $1 shares. The old capitalization was 50,000 $5 shares.

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Concrete Gives Notable Value per Paving Dollar

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The Investment History of the C.P.R.

Factor of C.N.R. Competition Discussed — Future of Line Assured by Future of Canada — Factors That Affect Earnings

By RIELLE THOMSON, (Twelfth Article)

I HAVE pointed out that the chief factor that promises well for the future of the Canadian Pacific Railway is the undoubted assurance of rising prosperity in Canada. This is the basic factor that will affect the future earnings of the C.P.R.

Menace of C.N.R.

There is a last factor, the Canadian government owned railway, which on occasion may disquiet the mind of the holder of C.P.R. stock. Canadians will not all ship and travel by their own railroad. It has not worked out this way in the past and it will not in the future. The C.P.R. always has given excellent service and holds its share of the available traffic. However, it has been felt that possibly in years to come, when prosperity once more shines more brightly on the Dominion, the fact that one of the railways is government owned and may eventually show profits on a reduced capitalization, may, in some instances, cause a frightful outcry for the carrying of freight below cost. It is more than possible that this take place with such commodities, say, as coal from the west and from the east to supply Ontario and Quebec in which there are no coal deposits. However, the tendency in this would appear to be, not so much by the reduction of freight charges, as by direct government subsidies for such shipments. If Canada wishes, for national reasons, to ship commodities below cost, it would be obviously the wiser course to accomplish this by a direct rather than by the indirect method of lowering freight rates below cost. By the former method it would be possible to know the exact cost to the country of such a procedure—whereas by the latter, the amount such traffic cost the country would not be revealed.

As every investor in the railway knows, the future of the Canadian Pacific is entirely bound up with that of Canada. Whether we like it or not, the future of this country at present seems to lie entirely along agricultural, forest products and mineral lines, rather than along industrial lines, except in those industries which are dependent upon an abundant supply of waterpower.

Although the future for all such basic industries in Canada is not painted in glowing colors, yet there would appear to be a very sound basis for a continued, though probably slow, growth. The Canadian Pacific has passed successfully through the worst years that the world has even seem; it has also experienced the maximum competition from the C.N.R.; therefore, despite the fact that this country has been, and is, progressing but slowly, the investor is perfectly safe in taking his C.P.R. certificates, putting them in his strong box and awaiting the future without apprehension. C.P.R. stock is a good hold for a steady pull. It is of securities such as this that the investor must lay the foundation of his holdings.

The soundness of the company's financial policy is demonstrated in its balance sheet. In all, the road has spent nearly $300,000,000 which has not been capitalized; this policy of ploughing back earnings has resulted in keeping down the fixed charges.

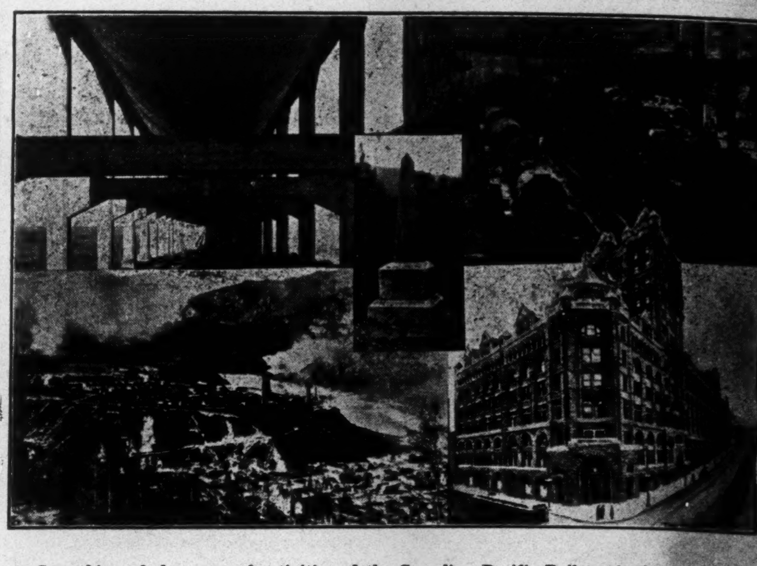
There is one point about the road which is worth considering and which has received but scant attention. The Canadian Pacific provides the only "All Red Route" between Great Britain and the Orient. Thus the road undoubtedly receives a considerable benefit through its inter-imperial connection. At its inception, the Canadian Pacific served to draw tighter the cords of Confederation; in the future will it not also serve to strengthen Imperial ties?

C.P.R. as a Force for National Unity in Canada

QUEBEC.—That the most effective single force toward the strengthening of national feeling operating in the Dominion to-day is the Canadian Pacific Railway, was the conviction expressed by J. D. Cameron, of Glasgow, Scotland, in an address before the Quebec District Association of the railway. Mr. Cameron is extensively engaged in Canadian immigration work.

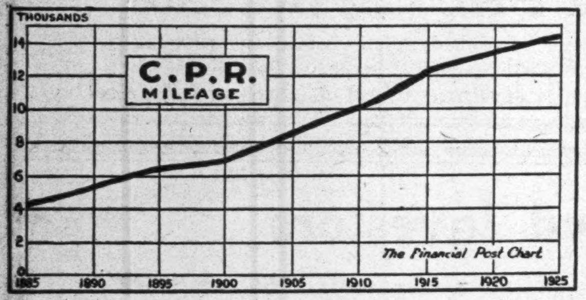
Not merely did that railway act, he said, as a bond between all the provinces of the confederation, but it was its conception and final construction that more than anything else in Canadian history had made of the scattered provinces one unified nation. He reviewed the colorful history of each province in a general resume that tended to show what was back of the meaning of Canadian nationhood.

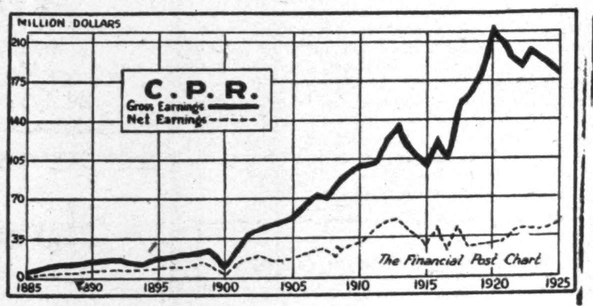
Assets of the Mighty C.P.R.

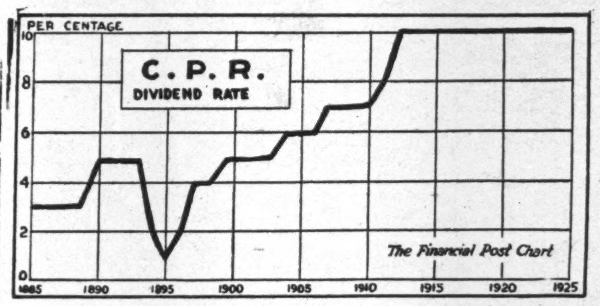


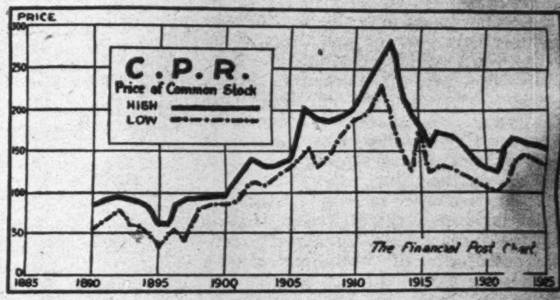
Something of the scope of activities of the Canadian Pacific Railway is shown by this group of photographs. In the upper left hand corner is a view of a C.P.R. irrigation aqueduct in Western Canada. The next photograph is an interior view of the Angus shops, Montreal, where C.P.R. locomotives are made and repaired. Lower left is a photograph of the Consolidated Mining and Smelting Company's refinery at Trail, C.P.R. is the largest stockholder in "Smelters." A view of Windsor Station, Montreal, where are also located the chief offices of the company, is shown. The picture in the centre shows the stone at Craigellachie, B.C., that marks the spot where the last spike was driven to complete the transcontinental line in 1885.

C.P.R., FROM INFANCY TO GIANTHOOD, TOLD IN CHART AND FIGURE



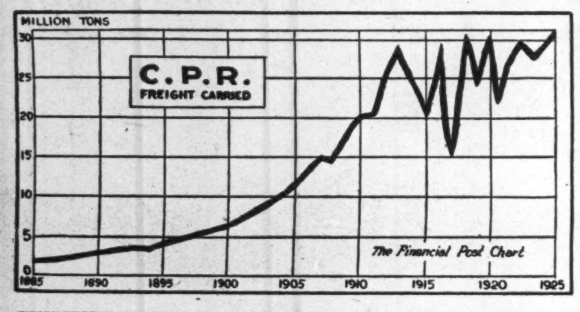


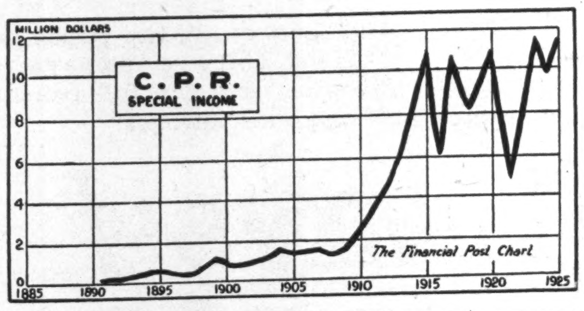


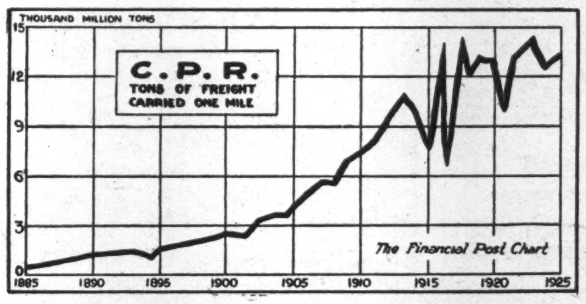


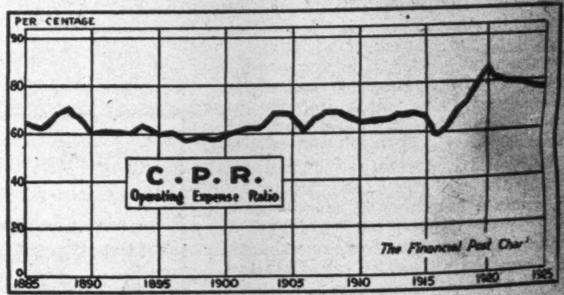
	Mileage	Freight carried tons	Grain carried bushels	Freight carried 1 mile—tons	Locomotives in use	Gross earnings	Net earnings	Special income	Operating expense ratio %	Fixed charges	Preferred stock outstanding	Consolidated debenture stock outstanding	Common stock outstanding	Dividend rate %	Price of common stock Low	High	Ave. Price
1885	4,338	....	....	406,822,166	....	$ 6,928,869.29	$2,371,349.56	$..........	65.7	$..........	$..........	$..........	$..........	3	...	...	...
1886	4,464	2,046,195	10,960,582	555,438,159	372	8,874,950.22	3,241,698.90	....	63.4	3,068,081.84	....	....	....	3	...	...	...
1887	4,960	2,144,327	15,013,957	687,786,049	374	10,650,254.08	3,351,208.92	....	68.5	3,250,263.81	....	....	....	3	...	...	...
1888	5,074	2,496,557	15,965,682	784,972,511	408	12,711,010.01	3,676,649.74	....	71.0	3,544,351.00	....	....	....	3	...	...	...
1889	5,186	2,638,690	13,803,224	967,508,450	413	13,016,611.81	4,019,299.76	....	69.1	3,779,132.94	....	4,380,000.00	....	3	...	...	...
1890	5,564	3,378,564	20,167,888	1,208,014,731	484	15,572,985.62	6,148,819.17	....	60.5	4,246,618.00	....	12,040,606.00	65,000,000.00	5	67	84	75.5
1891	5,766	3,840,710	24,894,141	1,391,705,486	530	20,241,095.98	8,009,659.87	....	60.43	4,664,493.45	....	19,770,492.65	65,000,000.00	5	72	91	81.5
1892	6,015	4,230,670	29,309,887	1,582,554,352	569	21,409,351.77	8,420,347.56	203,602.72	60.43	5,102,018.09	....	34,953,008.28	65,000,000.00	5	86	94	90
1893	6,327	4,226,959	23,636,715	1,453,367,263	578	20,962,317.44	7,741,416.05	209,862.87	63.07	5,338,597.22	6,424,000.00	39,819,675.00	65,000,000.00	5	66	90	78
1894	6,344	3,891,884	25,314,827	1,313,948,410	584	18,752,167.71	6,423,309.08	333,825.91	65.75	6,581,378.82	6,424,000.00	41,279,675.00	65,000,000.00	2.5	58	73	65.5
1895	6,444	4,274,667	27,628,593	1,490,639,847	584	18,941,036.87	7,480,950.99	552,912.96	60.50	6,659,478.32	6,424,000.00	42,353,018.33	65,000,000.00	1.5	33	62	47.5
1896	6,476	4,420,550	32,528,256	1,769,958,865	584	20,681,596.84	8,107,581.74	511,165.10	60.80	6,708,084.42	8,005,666.67	45,347,843.33	65,000,000.00	2	52	62	57
1897	6,568	5,174,484	37,756,201	1,955,911,006	598	24,049,785.07	10,303,775.89	340,706.48	57.16	6,783,367.26	9,830,666.67	46,955,870.33	65,000,000.00	4	46	82	64
1898	6,681	5,582,038	35,443,084	2,142,319,887	644	26,138,977.13	10,475,371.62	423,366.86	59.92	6,774,321.24	20,951,000.00	48,061,866.53	65,000,000.00	4	72	90	81
1899	7,000	6,620,903	42,763,253	2,539,171,900	690	29,230,038.26	12,230,165.49	1,150,198.57	58.16	6,816,676.36	26,791,000.00	54,237,082.53	65,000,000.00	5	84	99	91.5
1900*	....	....	....	....	....	14,167,797.89	5,277,946.83	1,011,358.67	....	3,434,244.67	....	....	65,000,000.00	..	84	99	91.5
1901	7,563	7,155.813	32,927,468	2,383,633,945	708	30,855,206.55	12,109,375.35	933,425.25	60.75	7,305,835.49	31,171,000.00	60,369,082.53	65,000,000.00	5	87	117	102
1902	7,587	8,769,934	52,719,706	3,247,922,167	745	37,503,053.78	14,085,912.41	958,826.64	62.44	7,334,825.09	31,171,000.00	63,532,415.86	65,000,000.00	5	112	145	128.5
1903	7,748	10,180,847	63,822,710	3,862,242,993	840	43,957,373.04	15,836,845.78	1,286,812.41	63.97	7,052,197.27	32,500,000.00	67,252,252.52	72,624,162.00	5.5	115	138	[illegible]
1904	8,332	11,135,896	52,990,151	3,809,801,952	963	46,469,132.24	14,213,105.03	1,691,268.51	69.42	7,586,096.24	33,473,333.33	82,355,217.66	84,500,000.00	6	109	135	122
1905	8,568	11,892,204	59,739,180	4,155,256,309	1,016	50,481,882.25	15,475,088.46	1,584,663.47	69.35	7,954,065.76	37,853,333.33	89,200,549.32	98,738,240.00	6	130	177	153.5
1906	8,777	13,933,798	82,196,648	5,342,248,625	1,109	61,669,758.16	22,973,312.63	1,316,870.47	62.75	8,350,544.84	42,719,999.04	101,519,411.21	105,995,190.00	6	155	201	178
1907	9,154	15,733,306	93,207,009	5,946,779,961	1,296	72,217,527.64	25,303,308.81	1,640,831.70	64.96	8,511,755.56	43,936,665.70	106,045,411.21	121,680,000.00	7	138	195	166.5
1908	9,420	15,040,325	88,345,234	5,865,089,008	1,399	71,384,173.22	21,792,366.02	1,541,874.03	69.47	8,770,076.71	48,803,332.33	115,657,077.88	141,534,436.00	7	140	180	160
1909	9,878	16,549,616	97,236,150	6,372,269,174	1,478	76,313,320.96	22,955,572.90	1,906,578.40	69.92	9,427,032.74	52,696,665.71	128,930,132.52	150,000,000.00	7	165	189	177
1910	10,078	20,551,368	112,795,345	7,772,012,635	1,534	94,989,490.33	33,839,955.87	2,426,477.29	64.38	9,916,940.33	55,616,665.71	136,711,616.18	173,530,085.00	7.5	176	202	189
1911	10,342	22,536,214	111,169,982	8,062,102,013	1,637	104,167,808.21	36,699,830.57	5,046,856.40	64.77	10,011,071.44	57,076,665.70	142,861,462.26	180,000,000.00	8.5	195	247	221
1912	10,767	25,940,238	151,731,691	10,391,650,965	1,820	123,319,541.23	43,298,242.83	5,158,585.40	64.89	10,524,937.49	66,695,097.86	153,823,706.86	196,806,621.00	10	226	283	254.5
1913	11,366	29,471,814	171,952,738	11,470,001,871	2,052	139,395,699.98	46,245,874.15	6,598,151.33	66.82	10,876,352.15	74,331,339.97	163,257,224.32	200,000,000.00	10	204	266	235
1914	11,825	27,801,217	184,954,241	10,821,748,859	2,248	129,814,823.83	42,425,927.68	8,587,870.53	67.32	10,227,311.17	78,224,673.03	173,307,470.09	260,000,000.00	10	153	220	186.5
1915	12,368	21,490,596	126,909,828	7,940,151,342	2,255	99,865,209.78	33,574,627.29	10,969,331.69	66.04	10,446,509.83	80,681,921.12	176,284,882.10	260,000,000.00	10	138	194	166
1916	12,917	29,276,872	276,788,209	14,057,685,773	2,255	129,481,885.74	49,225,920.46	9,940,954.94	59.75	10,396,196.00	80,681,921.12	176,284,882.10	260,000,000.00	10	162	183	172.5
1916*	12,955	16,200,453	146,332,583	7,872,405,297	2,255	76,717,965.36	30,874,765.86	6,415,352.45	....	5,132,551.09	....	....	....	..	...	...	....
1917	12,990	31,198,685	213,340,507	14,677,957,266	2,255	152,389,335.00	46,546,019.00	10,713,299.32	69.46	10,229,143.43	80,681,921.12	176,284,882.10	260,000,000.00	10	126	167	140.5
1918	12,993	29,856,694	137,070,428	12,885,684,625	2,255	157,532,698.00	34,502,388.00	8,128,751.51	78.10	10,177,512.98	80,681,921.12	216,284,882.10	260,000,000.00	10	135	174	154.5
1919	13,389	25,102,821	121,059,921	11,121,322,012	2,255	176,929,060.00	32,933,036.42	9,049,341.70	81.39	10,161,509.77	80,681,921.12	216,284,882.10	260,000,000.00	10	126	171	148.5
1920	13,402	30,160,134	172,536,485	13,094,508,975	2,255	216,641,349.30	33,153,044.60	10,966,447.81	84.70	10,177,408.99	80,681,921.12	216,284,882.10	260,000,000.00	10	109	134	121.5
1921	13,444	23,710,606	175,506,119	10,087,106,000	2,255	193,021,854.40	34,201,740.31	10,987,199.12	82.28	11,519,071.97	80,681,921.12	238,206,431.68	260,000,000.00	10	101	123	112
1922	13,536	27,744,586	245,481,731	12,977,400,058	2,255	186,675,035.00	36,301,691.00	5,242,355.00	80.55	13,348,905.66	80,681,921.12	253,229,865.74	260,000,000.00	10	119	152	135.5
1923	13,658	30,852,994	268,667,055	14,500,617,325	2,255	195,837,089.00	37,479,010.00	11,391,051.00	80.86	13,470,653.14	93,335,254.45	254,244,882.08	260,000,000.00	10	140	160	150
1924	14,062	28,776,386	231,805,276	12,648,622,773	2,255	182,501,158.00	37,227,241.00	9,971,252.00	79.60	14,070,286.78	100,148,587.78	264,244,882.08	260,000,000.00	10	147	157	152
1925	14.166	31,090,504	263,462,503	13,275,706,601	2,255	183,356,006.00	40,154,776.00	11,357,375.00	78.10	14,438,517.42	100,148,587.78	264,244,882.08	260,000,000.00	10	137	152	145

*Six months figures. Dates of fiscal year changed.









Return of the Chartered Banks of the Dominion of Canada, June 30, 1926

Made to the Minister of Finance in conformity with Section 112 of the Bank Act, Chapter 32, of The Statutes of 1923

LIABILITIES

NAME OF BANK	Notes in Circulation	Due to Dominion Government	Advances under Finance Act	Due to Provincial Gov'nm'ts	Demand Deposits in Canada	Notice Deposits in Canada	Deposits elsewhere	Bal. due to other Banks in Canada	Due to Banks in U.K.	Due to Banks elsewhere
	$	$	$	$	$	$	$	$	$	$
Montreal	42,953,313	23,262,322	....	8,878,509	140,977,307	371,281,625	76,672,544	2,062,156	1,080,715	4,571,076
Nova Scotia	14,224,828	1,343,888	....	728,630	33,467,492	119,380,205	35,658,394	3,062,505	211,466	987,703
Toronto	7,374,387	195,242	....	310,264	31,051,866	54,519,658	....	311,178	151,425	983,247
Provinciale	3,979,493	113,883	....	288,781	5,227,838	30,443,143	....	1,994	....	14,804
Commerce	26,411,355	4,682,636	8,000,000	2,835,345	116,088,423	217,320,070	45,384,326	664,996	1,540,462	8,264,364
Royal	36,267,831	4,412,772	....	5,174,174	129,512,167	273,526,453	175,550,208	1,232,413	1,737,574	16,529,584
Dominion	7,136,503	513,335	3,300,000	440,790	28,632,132	63,165,914	2,873,139	1,259,902	206,776	959,030
Standard	6,151,010	213,734	3,000,000	332,175	18,789,373	49,089,382	....	2,210,048	326,918	507,592
Nationale	11,570,744	695,684	5,500,000	1,721,231	19,198,405	83,256,340	1,175,811	2,009	145,735	544,044
Imperial	9,750,443	964,134	....	2,899,599	28,108,374	63,945,132	....	1,169,662	94,703	281,448
Weyburn Security	551,670	65,680	....	18,004	1,444,830	2,297,365	....	....	....	19,129
Total	166,371,587	36,463,250	19,800,000	23,627,502	552,498,207	1,328,225,287	337,314,422	11,976,863	5,495,774	33,662,021

NAME OF BANK	Bills Payable	Letters of Credit	Other Liabilities	Dividends Declared & unpaid	Reserve Fund	Capital paid up	Total Liabilities	Capital authorized	% last dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notesheld	Greatest amount notes in circ.
	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	339,931	9,787,733	731,009	27,746	29,916,700	29,916,700	742,459,390	31,175,000	12	2,861,016	22,618,341	45,165,994	45,392,479
Nova Scotia	513,011	5,871,262	80,536	402,508	19,500,000	10,000,000	245,432,444	15,000,000	16	1,317,475	9,285,021	8,139,588	15,077,742
Toronto	254,887	1,761,727	216,341	2,339	7,000,000	5,000,000	109,132,564	10,000,000	12	689,943	438,036	5,924,751	7,705,410
Provinciale	....	34,960	18,937	6,813	1,500,000	3,000,000	44,630,651	5,000,000	9	....	193,336	271,212	4,129,738
Commerce	1,087,336	15,121,663	....	19,014	20,000,000	20,000,000	487,419,995	25,000,000	12	4,909,115	17,216,000	14,332,000	27,505,682
Royal	8,065,837	32,101,341	....	46,335	24,400,000	24,400,000	732,956,694	30,000,000	12	1,821,050	11,259,978	17,651,245	37,913,105
Dominion	327,227	5,916,322	557,027	180,656	7,000,000	6,000,000	128,468,758	10,000,000	12	1,099,591	2,141,000	3,953,000	7,605,909
Standard	....	434,816	155,000	1,574	2,900,000	4,823,400	88,935,015	5,000,000	12	399,090	573,822	2,790,009	6,188,473
Nationale	....	723,634	....	5,101	5,500,000	5,500,000	135,538,744	10,000,000	10	75,165	780,848	1,873,785	11,985,294
Imperial	....	558,025	....	1,099	7,500,000	7,000,000	122,272,623	10,000,000	12	575,067	962,392	6,269,143	10,356,059
Weyburn Security	....	....	....	....	225,000	524,560	5,146,190	1,000,000	5	123,894	22,593	52,033	551,670
Total	10,588,229	72,311,483	1,758,850	693,185	125,441,700	116,164,660	2,842,393,068	152,175,000	.....	13,871,406	65,491,367	106,422,760	174,361,563

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from banks in Canada	Due from banks elsewhere	Government securities	Canadian municipal British and foreign Securities	Railway and other bonds and stock	Call loans in Canada	Call loans elsewhere
	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	22,540,252	42,126,381	3,746,980	966,082	25,572,184	146,258	18,290,162	92,308,696	30,606,518	3,104,426	14,370,361	143,054,001
Nova Scotia	9,252,651	9,022,555	1,082,645	1,953,623	10,372,539	....	3,244,147	32,797,965	10,927,815	15,371,467	19,478,371	14,984,546
Toronto	440,036	6,305,038	496,420	91,289	5,529,420	....	3,094,931	20,078,936	6,302,898	3,089,116	6,520,302	....
Provinciale	205,796	317,289	605,725	73,254	1,877,592	2,334,596	348,841	4,839,934	1,355,893	2,960,002	8,460,181	....
Commerce	9,791,113	13,961,362	2,348,195	1,714,195	20,914,267	1,248	17,351,110	55,765,081	25,625,912	9,557,127	26,852,218	28,982,086
Royal†	12,303,877	23,577,207	3,948,932	19,152,133	29,507,611	3,565	22,998,106	72,526,906	25,585,542	19,193,174	32,389,252	46,328,048
Dominion	2,134,866	5,197,487	803,725	216,633	8,386,436	....	2,733,084	18,722,958	5,937,426	2,512,064	9,321,916	2,862,602
Standard	594,990	3,162,178	485,710	106,910	5,644,764	....	1,234,574	12,097,136	3,449,368	2,857,354	10,052,006	....
Can. Nationale§	890,324	1,815,826	1,294,855	298,840	4,384,958	351,960	1,022,941	24,962,271	11,867,534	1,486,149	5,785,603	750,000
Imperial	952,448	6,805,952	848,837	244,391	6,313,805	625,235	1,307,319	15,760,244	6,628,151	84,904	9,302,673	6,000,000
Weyburn Security	22,574	48,341	29,365	3,561	40,700	318,037	85,645	866,788	9,314	314,441	....	....
Total	59,128,927	112,339,616	15,691,389	24,820,911	118,544,276	3,780,999	71,710,860	350,726,915	128,296,371	60,530,224	143,532,883	242,961,283

NAME OF BANK	Other current loans in Canada	Other current loans elsewhere	Loans to Municipalities and to provinces	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank premises	Letters of Credit	Deposit for note circulation	In central gold reserves **	Shares of and loans to controlled companies	Other assets	Total Assets
	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	227,796,614	41,680,951	33,096,412	2,643,347	950,046	1,209,383	11,950,000	9,787,733	1,282,241	16,000,000	1,428,966	483,326	745,141,329
Nova Scotia	72,645,674	18,208,095	7,674,668	304,098	63,106	115,027	7,279,699	5,871,262	480,755	5,500,000	....	148,785	246,779,504
Toronto	46,690,882	....	2,362,240	211,621	....	211,263	3,503,777	1,761,727	249,267	3,055,866	....	....	109,995,038
Provinciale	15,710,995	....	1,642,318	175,887	440,436	92,572	1,774,731	34,960	160,493	1,150,000	....	207,337	44,768,841
Commerce	171,809,572	34,561,354	26,846,938	2,098,635	2,360,682	845,636	11,916,158	15,121,663	1,030,000	9,500,000	1,502,143	333,146	490,789,850
Royal†	190,356,438	156,494,734	10,838,893	2,577,842	2,235,012	1,315,839	14,285,854	32,101,341	1,440,000	14,000,000	2,563,726	548,170	736,272,213
Dominion	54,438,405	859,135	637,308	321,149	61,211	19,958	5,920,829	5,916,322	319,300	2,000,000	....	253,136	129,575,961
Standard	41,248,966	....	1,931,996	575,643	309,816	174,716	3,735,774	434,816	258,000	1,500,000	....	147,930	90,002,653
Can. Nationale§	58,422,876	988,899	5,369,829	198,958	1,043,561	1,090,877	5,522,397	723,634	283,419	6,500,000	....	215,734	136,271,458
Imperial	49,855,661	....	7,557,739	409,216	625,906	529,721	5,004,625	558,025	327,797	4,004,466	....	430,133	124,177,256
Weyburn Security	2,572,630	....	56,954	71,275	186,433	106,422	243,752	....	26,731	100,000	....	76,233	5,179,204
Total	931,548,713	252,793,168	98,015,295	9,587,671	8,276,209	5,711,414	71,137,596	72,311,483	5,858,003	63,310,332	5,494,835	2,843,930	2,858,953,307

**Of this deposit, $26,910,333 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris. As the entire capital stock of the Royal Bank in Canada (France) is owned by the Royal Bank of Canada, the assets and liabilities of the former are included in the above return.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidy of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

DEPARTMENT OF FINANCE, OTTAWA, AUGUST 5, 1926.

Featuring the Hull-Ottawa Valley District

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Special Section 21-28 — PUBLICATION OFFICE: TORONTO, AUGUST 13, 1926 — Special Section 21-28

Hull Leaps to Prominence From Small Beginnings 126 Years Ago

Founded by Philemon Wright in 1800, City Made Only Steady Progress Until 1900—The Early Story of Hull —Many Tribulations—Growth Comes and City Now Third in Quebec

FAVORABLE FACTORS ASSURE FUTURE

Founded in 1800—126 years ago—the city of Hull is 26 years older than its nearest neighbor, Ottawa.

In 1800, Philemon Wright realized and foresaw the great industrial possibilities and the unlimited natural resources all which centered upon what is now the site of the city of Hull. To-day, with the exception of Montreal and Quebec, Hull is the largest city in the province with a population of some 37,000.

After several journeys to the Chaudiere Falls, Wright finally settled down at the present site of the city with his company of woodsmen and their families. Homes were built, barns erected and crops were sown. The township of Hull, containing some 83,000 acres, began to be divided and sub-divided and civilization commenced its inroads on what at that time was simply an undeveloped nature's wilderness.

With the advent of Wright, progress of the young settlement was rapid and in 1804, recognizing that tradesmen were a necessity for his rapidly growing village, Wright added blacksmiths, shoemakers and other craftsmen and merchants to the settlement.

Still Floating Logs

Some 120 years ago Philemon Wright used the Gatineau River for the same purpose which it is used to-day, namely the floating of logs.

So that the E. B. Eddy Company and the International Paper Company in floating logs down the river to-day are merely carrying on the business upon which the prosperity of Hull was first established.

After a steady growth from the early beginnings, 75 years later Hull was incorporated as a city; this was *in 1875.*

After it became a city Hull did not progress as rapidly as its later history might indicate. In 1828 the available figures show that its population was only about 700 and in 1846 the population did not exceed 1,700. To-day, the population of greater Hull numbers some 40,000 people and covers well over 4,000 acres. Time has verified the judgment of Philemon Wright in the choice of a site for his colony.

Perhaps no other city in Canada has undergone the trials to which Hull has been subjected, for five times fire has ravaged portions of the city, leaving hundreds homeless and damages of over $6,000,000 have been suffered, but the citizens always returned to the task of building up a new, happy community.

Its Future is Assured

To-day, Hull prides itself on its city—to-morrow, it will have the same pride, for developments in this territory are such as to insure a rapid future growth. Whilst there is a keen rivalry between Hull and Ottawa, situated just across the river, yet the proximity of both centres works out to the advantage of both.

Much water power has been developed in this territory but the supply is by no means exhausted, for there is more than 1,700,000 of electrical energy available in the district which centres on Hull. This is four times the amount which is available from Niagara Falls.

Hull is on the main line of the C.P.R. and C.N.R. and is linked to Ottawa by three large bridges and two electrical roads and thus its plants find a ready market both in the surrounding territory and also over the railroads which carry its goods throughout the Dominion and to foreign countries.

Has Many Attractions

The attractions of Hull as a home centre are of course numerous. The city is uniformly well laid out and the main business thoroughfares are scenes of activity, all paved for the accommodation of motor and truck traffic. The fire and police departments are efficiently operated, giving the citizens adequate protection.

Like all sections in the province of Quebec, there are educational facilities for all creeds. The Catholic and Protestant schools are splendidly equipped and the Hull Technical School offers excellent facilities to those desirous of following one of the crafts.

Hull Manufacturers

Because of the city's many natural advantages it has proved attractive to many manufacturers. Some of the leading plants which are located in Hull follow:

The E. B. Eddy Company—pulp, paper, matches.

H. Dupuis & Fils—dressed wood, gravel, sand, etc., all material for construction.

Woods Manufacturing Company—clothes, tents, awnings, etc.

Hull Dairy—milk, cream, butter.

Hull Knitting Company — woollen products.

Hull Iron & Steel Foundries—steel, iron, brass, etc.

Hanson's Woollen Mills — woollen products.

Gilmour & Hughson—wooden products.

The Mica Company of Canada—mica.

Canadian Packing Company—meats in all forms and kinds.

Sparks-Harrison—garments.

National Bread—bread and flour.

Walter Axe Company—axes.

McKenzie Manufacturing — shirts, garments, etc.

The Canadian Cement Company—Portland cement.

J. Pilon & Company — lumber, dressed wood, sash, etc.

A. Bourque—lumber, dressed wood, sash, etc.

J. B. Harper—lumber, sash, doors, etc.

There are many others, the chief of which are engaged in the lumber industry.

Increasing Population Shatters All Records

Since the outbreak of war, Hull has doubled its population. A record which has been achieved by few communities in Canada. This record growth is the result of the industrial developments in the city; many new factories of various kinds have been established to take advantage of the low cost power and other advantages which are to be found there. Situated in the province of Quebec, yet Hull furnishes manufacturers with all the attractions which the province of Ontario also presents.

All this has been reflected in the rapid growth of population of which the record is as follows:

Year	Population
1884	7,609
1900	11887
1907	14,520
1914	19,929
1915	20,257
1916	22,190
1917	25,425
1918	28,392
1919	30,536
1920	32,766
1921	33,672
1922	34,655
1923	35,500
1924	36,000
1925	38,800

Best Known Industry

Perhaps the best known industry in Hull is that of the E. B. Eddy Company, which dates from 1854, when Ezra Butler Eddy, a shrewd Yankee immigrant, came to Hull, saw and rented a saw-mill from the descendants of Philemon Wright, the founder of the city of Hull. Eddy used the saw-mill to produce matches and to-day the business has grown and the company produces pulp, paper, bags, matches and other similar wood products.

SEES A BRIGHT FUTURE AHEAD OF HULL DISTRICT

Department of Interior Reviews Natural Resources Awaiting Development

The Natural Resources Intelligence Service of the Department of the Interior has prepared an article dealing with the natural resources of the Ottawa river valley. The strategic centres for the development, or for business activities connected with these resources, lies of course in the two cities of Hull and Ottawa.

The article which follows indicates that this government department, which is closely in touch with business activities throughout Canada, feels that there is a great future for this territory. The text of the article follows:

"One of Canada's industrial areas that is heavily endowed with natural resources, and one that is destined to become more important in the near future, is the Ottawa valley. The Ottawa River provides a number of excellent water-power sites, some of which have already been developed, while others are contemplated in the near future. This available power has been the means of attracting many outstanding industries.

"The forest industries are probably the most important feature of the Ottawa valley, and the cheap abundant power available is attracting many large plants. The International Paper is engaged in the construction of a large pulp and paper mill at East Templeton, on the Ottawa River, also hydro-electric plants at Chelsea and Farmers' Rapids, on the Gatineau river. At Ottawa are located the saw mills and the pulp and paper mills of the J. R. Booth Co. and the pulp mill of the Bronson Company.

(Continued on page 22)

New Gatineau Power Projects at a Glance

Total available horsepower at company's power sites, over 700,000 h.p.

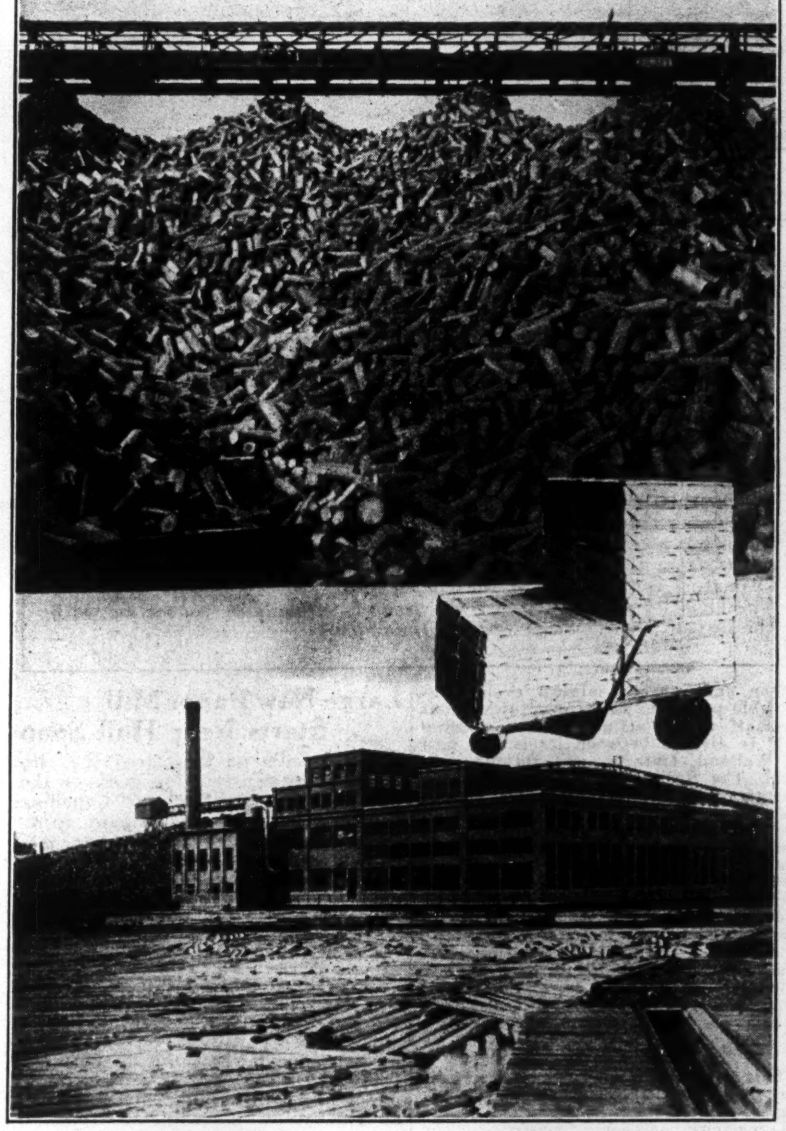
To be developed:

Completed in 1926: Kipawa plant	24,000 h.p.
Completed in 1927: Chelsea plant	131,000 h.p.
Farmers' plant	92,500 h.p.
Completed in 1928: Paugan plant	150,000 h.p.
Total initial development	397,500 h.p.
Provision has been made in the Chelsea and Farmers' plant for additional units which would bring the ultimate capacity of the three plants up to over	453,000 h.p.
Power contracts already closed:	
With Ontario Hydro Electric Commission	260,000 h.p.
With Canadian International Paper Co.	74,000 h.p.
With Canada Cement Company	3,000 h.p.
	337,000 h.p.

Initial daily capacity of new newsprint mill at Chelsea, 600 tons.

Holdings of Canadian timber limits to supply this and other International Paper plants, over 10,000,000 acres.

From Wood to Paper at Hull



Raw material entering the Eddy plant; below, part of factory and, inset, the finished product.

Ottawa Valley Awakened First by Hull Pioneer

The first white man to reach the Chaudiere Falls, the present site of Hull, was Nicolas Du Vignau, a companion of Champlain. He it was who, in the early days of the 17th century, enthused Champlain to ascend the Ottawa as far as the Chaudiere in 1613. At the Falls, a friendly Indian chief disillusioned him about any hope of discovering another ocean or a short passage to India.

Champlain turned back from his voyage of discovery but before leaving bestowed names on three well-known rapids of the river, namely Chaudiere (boiling cauldron), Deschenes (the dogs) and Les Chats (the cats). He named too, the Rideau River.

At this time the present site of Hull was merely a wild forest region. By 1654 the Ottawa river received its present name; previously, it had been known as the Great River of the Algonquins. That is practically all that is known of the story of the Chaudiere district before the coming of Philemon Wright in 1800.

Philemon Wright, the founder of the city of Hull, was born in Hull, England, in 1760. Hence the name given to the Canadian city. He came from a respectable yeoman family, was not heavily burdened with the riches of this world, and with them immigrated to Massachusetts.

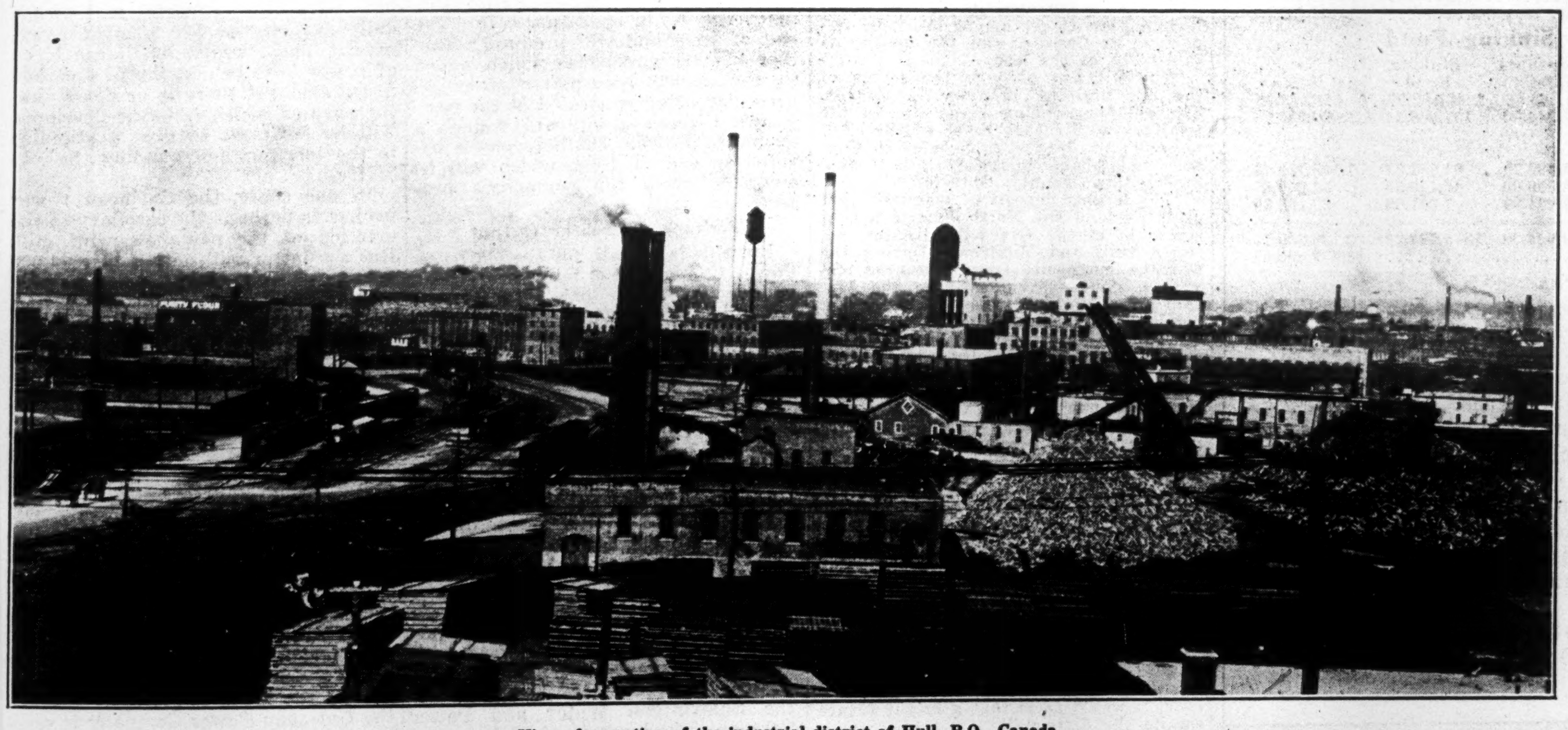
Wright was a young man when the American revolution broke out. Like many of his compatriots in Great Britain, he believed in the aims of the revolutionaries, and joining the army took part in many important engagements, including Bunker's Hill. After the war, he settled near Boston and in 1797 moved to Montreal, where he purchased the title to lands along the Ottawa.

After several exploratory journeys, by a trip through the practically unexplored and seldom traveled stretches of the Ottawa River he reached Hull late in the year 1799. Immediately a clearing was made and several acres of potatoes and wheat were sown.

Thus in the year 1800 was born the present city of Hull. The first little colony consisted of Wright and his woodsmen and their families. In 1839 Wright, who had been responsible for many developments in the territory died, but not before he first suggested the building of the Rideau Canal, connecting the Ottawa River with Kingston.

As a summer resort, the pretty village of Chelsea has long been popular, both for its own sake and for the lovely resort of Kingsmere nearby. Kirk's Ferry is also a summer place of long standing, well known to fishermen.

Industrial Sky-Line of Hull Shows Diversity of Its Wealth



View of a portion of the industrial district of Hull, P.Q., Canada.

MANY FEATURES OF HULL BRING MANUFACTURERS

Low Cost Land, Low Taxes, Satisfactory Labor and Transportation

POPULATION GROWS

City is Now in the Forefront as a Quebec Manufacturing Centre — Low Cost Power, Too

Probably there is no industrial location in either of the provinces of Ontario or Quebec which combines so well the advantages of both provinces as does the city of Hull. Firstly, Hull can provide any manufacturer who is looking for a suitable location with ample land at low cost.

In order to encourage manufacturers to locate in the city, manufacturers are exempt from taxation for a period of from ten to fifteen years. A fixed low assessment is made on the land for this period, thus allowing all improvements to be tax free for the duration of the contract.

Added to this saving the manufacturer in Hull obtains electric power at as reasonable rates and in greater abundance than anywhere else in Canada. The power sites are located in close proximity to the city—and low transmission cost must mean cheap power. In fact, the cost of electrical energy in Hull is the lowest in North America and varies according to the requirements of each plant from around $16 to $25 a horsepower—this low cost power has attracted more than one industry to the city.

Satisfactory Labor Relations

Now the labor situation in the province of Quebec generally is excellent; there are some special features connected with labor in Hull. More than 80 per cent. of the population are of the laboring class. This, in itself, of course, means little, but 90 per cent. of these workers own their own homes. That makes stability—workers can be depended upon. Practically all live within a quarter of an hour's walk from their work and are enabled to walk home for lunch.

Moreover, when workers are obtained in and around Hull, living, housing, and recreational facilities are such that employees are happy in their work and in their surroundings—they can afford comfortable houses, education for their children and the city itself provides many attractions. Thus, there is no such thing as any labor problem in Hull.

No Agitation There

Labor conditions generally in Canada are satisfactory; but it is in the province of Quebec that one finds the most satisfied, contented labor conditions in the Dominion. In Quebec, labor is as efficient and as intelligent as in any other part of the world; moreover, it is not subject to the agitations which so often affect labor in other sections of this continent.

Any industry, which is prepared to deal fairly with labor, can be assured of an abundance of good workers in any location of the province of Quebec, provided, of course, that the establishment of the industry is commercially justified, but the attractions of labor conditions in the province of Quebec are increased in any city such as Hull.

All but about 3,000 of the population are French Canadians and the remainder are English Canadians. There are but few foreigners.

There are nine main railways leading to and from Hull, both C.P.R. and C.N.R. Many manufacturing sites are available on these railways. In addition, shipments can be made direct to the seaboard by both rail and boat.

Has Good Roads Too

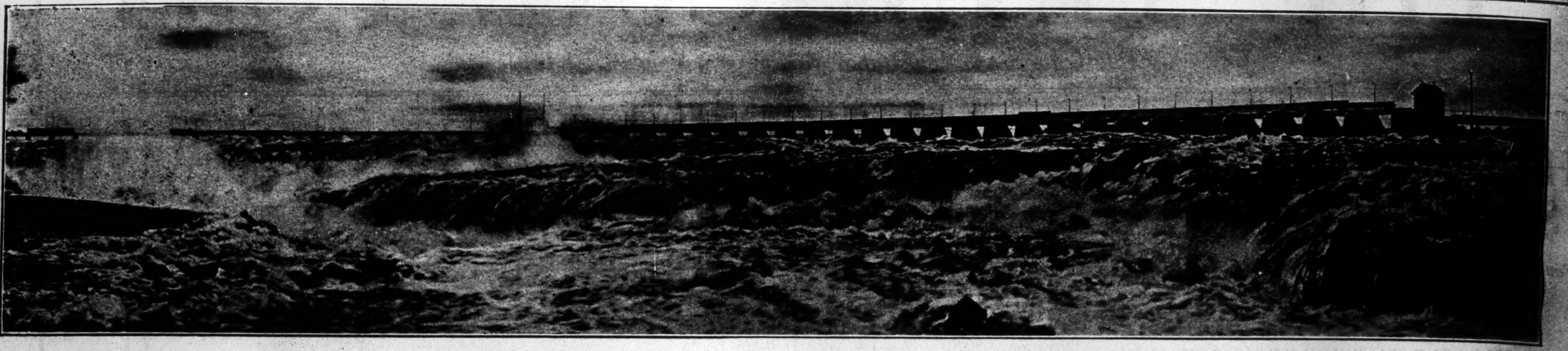
As well as obtaining a first class railway service the city is situated on many good roads, being near the terminus of the new Hull-Montreal highway and the starting point of the Gouin highway, both Quebec government roads. It is also connected with the big cement highway now being built by the Ontario government. These advantages are appreciated by those manufacturers who are in a position to ship by truck.

The question of raw materials naturally plays no minor part in the selection of suitable plant locations; in this, Hull is favorably situated too, for it is practically in the heart of one of the best lumber districts in the world—as well, in this district, there is produced cement, sand, asbestos, mica, and many of the base metals.

No municipal income tax, no workmen's compensation, no business tax, no minimum wages, and no labor disturbances are some of the other factors which have combined to place Hull in the forefront of the manufacturing centres of the province of Quebec.

These are a few of the attractions which have increased the population of the city by more than 50 per cent. in the last five years—a record which is indeed significant.

Power is the Key to Industrial Prosperity and Hull Has Power On All Sides



Tumbling waters of the Ottawa River, dividing Hull and Ottawa, but linking them in industrial activity.

Sound Basis for Hull's Prosperity

The forests provided the earliest form of industrial activity in the Dominion; to-day the industry still maintains its early lead and is the one predominant business in the Dominion. Thus the timber and allied industries are now, and have always been, one of the mainsprings of Canadian prosperity. Some 167 years ago, when Wolfe captured Quebec, the industry loomed large in the Canadian business cosmos; to-day it plays an even more prominent part—a part in which there yet remains room for great future growth.

In this lies the strength of Hull. The city was born and bred on the lumber trade. In this field, it still dominates. But more than that, the city is now participating to a greater extent in the prosperity which comes from the association with those other industries which are so intimately connected with the timber trade.

Thus its growth is assured—assured through its connection with the largest basic industry in the Dominion.

INVESTMENT IN HULL COMPANIES BY PUBLIC LARGE

Many Equally Large Private Undertakings Are Also Located in City

Most of the industries in Hull, like the giant plant of the E. B. Eddy Company, are privately owned and therefore little information regarding their activities reaches the public. Nevertheless, the fact that they are owned privately does not indicate that in stature and magnitude these plants do not measure up to the standard of corporations in which there is some investment interest.

Again, there are branch plants located in the city, such as that of the Canada Cement Company, whose activities are more usually connected with Montreal, rather than with the other cities in which its mills are located. Perhaps, because such a large proportion of the city's industrial activities fall in either of these two categories, it is not realized just how great an industrial centre the city has become. Some of the larger plants which find a happy and satisfactory home in Hull are shown elsewhere in this issue.

On the other hand, there are a number of corporate properties, manufacturing, hydro electric, and public utility, whose names are widely known across Canada. Brief reviews of some of these companies, excluding that of the Gatineau Power Company which is treated separately, follow:

Ottawa and Hull Power Company and Its Subsidiary

This company owns the control of the Ottawa River Power Co. The lines of the parent and the subsidiary are inter-connected and both companies are engaged in the business of wholesaling power in and around the cities of Hull and Ottawa. Power is sold direct to the consumer only in a few instances, such as the large block of energy which has been purchased by the E. B. Eddy Company. Power from the lines of these two companies is also supplied to all the other utilities in Hull and Ottawa. These include the Hull Electric, the Ottawa Electric and the Ottawa Electric Railway.

The present installed capacity at the companies' plants amounts to 65,000 h.p. which can be increased to well over 100,000 h.p. simply by the addition of further generating units.

The Ottawa River Power Company's plant is situated at Bryson, about 50 miles up the Ottawa river from Hull. It has at present one unit of 25,000 horsepower capacity installed, and all the permanent work has been completed for the ultimate installation of three units which would bring the capacity up to 75,000 horsepower.

The parent company owns two power plants situated on the Chaudiere Falls between the cities of Hull and Ottawa; these have an installed capacity of 40,000 h.p. The company has been in operation for about three years and is making satisfactory progress.

Woods Manufacturing Co.

This company manufactures bags of cotton and jute for almost every conceivable purpose. This constitutes about one-half of its business, the remaining half is divided between its cotton mill at Welland, Ontario, and its plant in Hull. The Hull plant is engaged in the manufacture of finished canvas goods and lumbermen's supplies and wearing apparel. Due to the general slump in the textile industry which occurred some years ago, this company discontinued dividends on its common shares. However, the tide has turned and earnings over the past year or two have increased. Thus the company is generally bettering its financial position. Of course, at no time has it been in any financial straits, for preferred dividends have been steadily maintained during the trying post-war period.

The Hull Electric Company

This company was formerly owned by the Canadian Pacific Railway, but recently passed under the control of the International Paper Company. The property was purchased to allow the big paper producer to develop some of the power sites which formerly were held by this city of Hull utility. It supplies tramway transportation between Hull and Ottawa, the tramways service in Hull and also sells power.

The company commenced operating in 1895 with six tram cars and 100 power customers. To-day it has well over 4,000 power customers and more than 50 trams which serve not only the city itself, but also the surrounding suburban districts. The earnings from the property are consolidated with those of the parent company, the International Paper Company.

Hull Occupies Strategic Location for Shipping

Hull is strategically placed geographically for the distribution of merchandise. For instance, the city is 115 miles northwest of Montreal, 256 miles northeast of Toronto, and 600 miles north of New York, being in direct rail contact with all these cities. Transportation both by rail and water is ideal. Freight rates to the great markets of Western Canada are the same per hundred weight as the rates from Toronto, London, Hamilton, Windsor and other industrial centres. Thus, Hull has the distinct advantage of one-half to two days quicker service to Western points by reason of the direct haul. The bringing in of raw material can be accomplished in an equally advantageous and economic fashion.

Some Interesting Statistics of the City of Hull

Financial Statistics (as on December 31, 1925)

Assessed value for taxation for year 1925-26	$18,267,298.00
Exemptions not included above	5,281,630.00
Amount of last year's taxes and water rates levy	1,000,432.00

Analysis of Debt and Sinking Fund

	Debentures Debt	Sinking Fund	Net Debt
Waterworks	$1,071,163.80	$ 45,182.97	$1,025,980.83
Local Improvem's (ratepayers' share)	1,162,744.00	157,406.34	1,005,336.66
Corporation general account (ratepayers' share of local improvements included)	1,203,592.20	64,862.97	1,138,729.23
Court House	72,500.00	40,440.35	32,059.65
Good Roads	34,524.99	7,391.63	27,133.36
	$3,544,524.99	$315,284.26	$3,229,240.13
Value of Municipalities Assets			$3,677,595.64

Waterworks

Profit after deducting operating expenses, interest, sinking fund, depreciation	$ 1,538.22

Tax rate—15 mills.

Population in 1925, 35,651; population in 1919, 28,392.

Area of the City of Hull—4,000 acres.

The city has 38 miles of cement sidewalks, 7½ miles of paved streets, 6 miles of macadamized streets, and 37 miles of city roads.

The city is divided into seven parishes—Notre Dame, St. Joseph de Wrightville, St. Redempteur and Notre-Dame de Lorette—are the leading Roman Catholic churches; also St. James, Anglican; Cushman Memorial Presbyterian, and Baptist churches.

The birth, marriage and death statistics for the past year are as follows:—Births, 1050; deaths, 269; marriages, 181.

Large New Paper Mill Starts Near Hull Soon

But a mile or two from the city of Hull, the construction work on the new Gatineau mill of the Canadian International Paper Company proceeds apace. The four paper machines in this plant will be the largest in the world. The first unit of the plant will contain machines capable of turning out a sheet of newsprint paper 256 inches wide at the rate of 1,200 feet per minute. This never-ending strip of paper will be produced at a rate that would allow four flivvers abreast to travel on it at the rate of thirteen miles an hour and never catch up with the machine. The power plants and paper mill will be finished by the end of the year, according to present plans, and by July 1, 1927, it is expected the mill will be producing more that 450 tons of newsprint every twenty-four hours, six days a week. The mill is being laid out so that its capacity can be doubled or trebled in the future, if conditions warrant.

SEES A BRIGHT FUTURE AHEAD OF HULL DISTRICT

(Continued from page 21)

Directly opposite in Hull are the large pulp and paper and other mills of the E. B. Eddy Company, while at Hawkesbury the International Paper Co. have extensive pulp mills. Large lumber mills are located at several points along the river, particularly at Pembroke, Ottawa, Rockland and Hawkesbury. The Singer Sewing Machine Company is undertaking a hardwood development north of Thurso and has erected a factory at the latter place to prepare for the woodwork of its several plants.

"In what may be termed the industrial area of the Ottawa river, power has been developed at Hawkesbury, Ottawa and Bryson, while there are many other sites available. The Carillon rapids power site is also being considered. At Chelsea, on the Gatineau river, the International Paper Company is constructing a large power plant.

"The Ottawa Valley contains a large variety of minerals, and, while a number of excellent producing mines are in operation, some of which are reported to be the largest in America, there would appear to be splendid opportunities for greater development. On Chats Island, near Galetta, is located the lead mine of the Kingdon Mining and Smelting Company, the largest lead producer in Eastern Canada. A few miles north of Quyon is the Moss molybdenum mine, which during the war became the world's leading individual producer.

"The Black Donald graphite mine, said to be the largest and richest deposit of flake graphite known in America, is located at Calabogie, in Renfrew County.

"The feldspar deposits of the Buckingham district are among the most important in Canada, and the quality is said to be of the best.

"The Ottawa valley is the centre of the mica mining industry in Canada. The chief producing areas are in the territory within easy reach of the city; although the largest mica mine in Canada and probably in the world is located in Frontenac county, Ontario.

"The largest deposit of magnesite yet discovered on the North American continent is in the Grenville district, between Hull and Montreal. During the war the magnesite from this area met with a good market, due to the fact that Austrian magnesite was not available. The large users of this mineral in the United States, however, are reported to be financially interested in the Austrian deposits, and, though the latter is said to be inferior to the Canadian magnesite, the Canadian has not been successful to any great extent in meeting Austrian competition.

"At Deschenes is situated the refining plant of the late British American Nickel Company, where the concentrates from the mines and smelters of the company at Sudbury, Ontario, were refined.

"As an industrial area, the Ottawa valley is rapidly making progress. Many and varied industries are taking advantage of its natural resources, and with ample railway facilities and the further development of the water powers of the Ottawa river and its tributaries, some of which may be expected at an early date, it would seem that a bright future awaits the district."

Increased Industrial Activity Soon Coming in Hull Territory

Developments by Gatineau Power Company Assure More Than Mere Transient Activity in This District—Present Program Calls for Development of 397,500 Horsepower by 1928—Power Potentialities of Gatineau River Largely Increased by Storage Dam—Projects Reviewed

THE fact that by early in 1927 the Gatineau Power Company will have completed the development of 223,000 horepower in the immediate vicinity of Hull is significant. In the first place, this means that there will be an abundance of low cost power available for industry. While this does not necessarily mean that industry will locate actually within the city limits of Hull itself, yet if the experience in the past teaches anything, it teaches that whenever power is made available, industry is never long in locating near the source of such power. Therefore it is safe to anticipate enlarged industrial activity in and around Hull.

Since 1900, the amount of power developed in the Dominion has almost doubled itself every seven years and despite the rapid increase in the amount of energy available, the manner in which consumption has kept pace with developments is little short of spectacular. Thus, it is safe to say that with the development of the Gatineau river by this company, which is a subsidiary of the largest paper company in Canada and one of the largest in the world. In all, Shawinigan sells 550,800 horsepower. So that, it can be seen that the developments now taking place in and around Hull are comparable in magnitude to any hydro electric developments anywhere.

Cost of Developments

Probably the cost of the projects now being erected will run to around $50,000,000—but the grand total will be far in excess of this figure. An expenditure over a few years of an amount of this magnitude in this territory will have decidedly stimulating effects upon business generally in the district, but while such benefit is transient, the major benefit lies in the industrial developments which must follow in the train of the development of power.

The effect of the erection of power plants is well exemplified in that thriving industrial section, the St. Maurice Valley. Again, the result of power developments in the Lake St. John district provides much food for thought as to the favorable results which will accrue to Hull through the completion of these three new power plants.

Whilst the Ontario Hydro Electric commission has purchased 260,000 horsepower from the new Gatineau Power Company, yet there will still be available a large quantity of the new power for Hull territory. Signs and portents of further future industrial activity in the Gatineau Valley district are not lacking.

More Industrial Activity

One of these is the re-opening of the Canada Cement Company's Hull plant; another is the erection by the Canadian International Paper Company of a new newsprint mill with a daily capacity of 500 tons of newsprint. Thus, whilst one large block of power is to be distributed and sold in Ontario, yet there is no doubt that the surplus which is being developed will be sufficient to give a stimulus to the territory surrounding the city of Hull.

In one sense, the Gatineau power project is perhaps the corollary to the erection of the new newsprint mill. But the latter will only utilize 74,000 horsepower, so that it cannot be said that the big power projects will not have a much wider influence than merely the erection of a single large newsprint mill.

Location of the Plants

The new Chelsea power plant is located some seven miles, and the Farmers Rapids some 6 miles, north of Hull. The Paugan Falls project is about 20 miles further up the Gatineau river. The latter joins the Ottawa just below Hull.

There is an interesting feature in connection with the developments of which little has been written. This is the erection of a storage reservoir at Bitobe, about 116 miles north of Chelsea. Here, to provide against low water periods or dry seasons when the flow of the water is greatly curtailed, the Gatineau Power Company is erecting a storage dam. A lake will be created with a water surface of some 64,000 acres; it will contain more than 82,000,000 cubic feet of water. This work is being carried out under the direction of the Quebec Streams Commission.

The drainage area above the dam is about 6,200 square miles and thus, during the spring freshet seasons, the water will be retained; during periods of low water, it will be released to provide a minimum regulated flow of lower river waters of 8,000 to 10,000 cubic feet per second.

Benefits to Accrue

How vital and how useful is this work may be judged from the fact that the new regulated flow of the river will be about three times that of the normal low water flow. Thus the power plants will be enabled to turn out a steady stream of energy which will neither vary from month to month nor with the periodic changes in the level of the waters of the river.

At Chelsea, the new dam will give a head of 93 feet of water; at Farmers, the dam will provide a head of 68 feet.

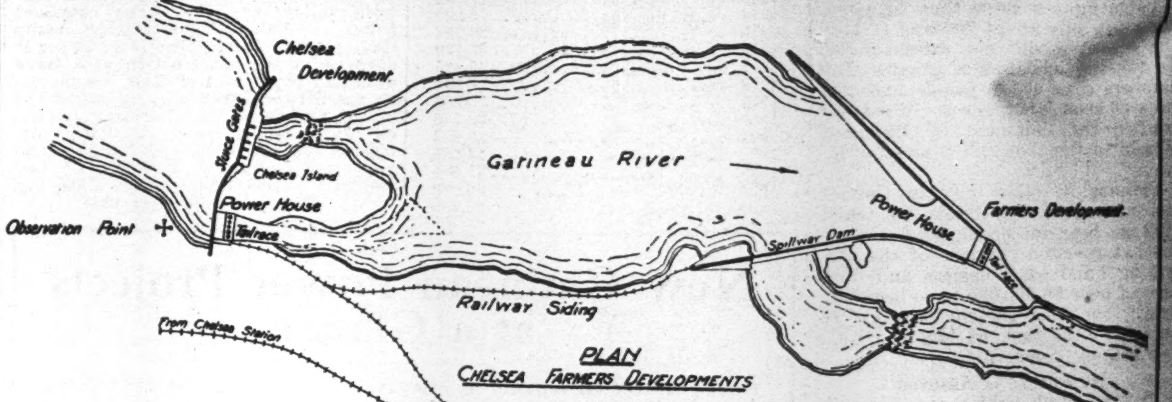
The Gatineau Power Company's contract with the Hydro Electric Power Commission of Ontario, which alone will take over 70 per cent. of the available primary power, covers a period of 30 years. The commission will purchase 80,000 horsepower during the 12 months beginning October 1, 1928, the amount increasing annually thereafter until a maximum of 260,000 horsepower during the 12 months beginning October, 1931, is reached; the latter rate is maintained throughout the life of the contract.

The Canadian International Paper Company has also contracted to purchase a minimum of 74,000 horsepower for 30 years to be used at its new Gatineau newsprint mill and the Kipawa Pulp Mill. A further 3,000 horsepower, 15 years contract, has been secured from the Canada Cement Company. Of the 74,000 purchased by the paper company, 24,000 horsepower is already being supplied by another power plant at Kipawa on the Ottawa river. This plant is owned by the Gatineau Power Company.

These developments, then, constitute an even stronger link binding together the Gatineau and Ottawa river valleys with the International Paper Company, which, with its subsidiary, is the largest manufacturer of paper in the world and in addition, one of the largest holders of water powers in North America. It has immense holdings of timber limits on both the Ottawa and Gatineau rivers. The capacity of its paper mills is more than twice as large as that of any other company on this continent. Its leasehold and other timberlands cover some 12,000,000 acres, an area longer than the American states of Massachusetts, Connecticut, Rhode Island and Long Island. Upon the completion of the present programme, the parent company will have developed water powers with a total installed capacity of almost 600,000 horsepower capable of being increased through further development to around 1,400,000 horsepower.

Throughout the entire district excellent accommodation is available. The attractions of this section are the greater as they are obtainable with hardly more than a few minutes' train ride from Hull.

Where Gatineau's Mighty Arm is Being Made to Toil



Sketch map of Double Development of International Paper Company near Hull.

Two New Plants First

The Gatineau Power Company, early in 1927, will have available at Chelsea 131,000 horsepower and 92,500 horsepower at Farmers Rapids. The production of both plants will be capable of being increased by 25 per cent. simply by the addition of one new generating unit in each plant. Both these sites are practically next door to the city of Hull.

Before the end of this year, construction work will begin on another development at Paugan Falls; this plant will be in operation before the end of 1928 and will produce a further 150,000 horsepower which, added to the 24,000 horsepower which is presently being generated at the company's Kipawa plant, will make a grand total of 397,500 horsepower before the end of 1928, which will be available from the company's projects.

Perhaps a Greater Output

But this is not all, for the Gatineau Power Company has long term leases upon water power sites with a total potential capacity in excess of 700,000 horsepower; possibly, before the initial development of 397,500 horsepower is completed, the company will undertake even further developments which cannot fail to bring prosperity to the valleys of the Ottawa and Gatineau rivers. The strategic centres of these two rivers are, of course, the cities of Hull and Ottawa. To them will accrue, of course, much of the benefits of the immense projects.

In order to obtain a better picture of the magnitude of the Gatineau power developments, it is necessary to compare the initial output of the new company, 397,500 horsepower, with the total amount of horsepower installed, controlled or purchased by the Shawinigan Water and Power Company, the largest privately owned power company in Canada and one of the largest in the world.

Supplying the Power Needs of the Ottawa Valley~

FOR twenty years OTTAWA AND HULL POWER COMPANY LIMITED has supplied the power needs of the cities of Ottawa and Hull, keeping pace with the continuous growth of these communities by additions to plant facilities—the latest increased capacity being through its subsidiary, OTTAWA RIVER POWER COMPANY LIMITED, which has recently constructed a new plant with an ultimate capacity of over 67,500 h.p.

These Companies now supply:

OTTAWA HYDRO-ELECTRIC COMMISSION
OTTAWA LIGHT, HEAT, AND POWER COMPANY LIMITED
THE HULL ELECTRIC COMPANY
THE E. B. EDDY COMPANY LIMITED
CANADA CEMENT COMPANY LIMITED

and other large users of Power

OTTAWA-MONTREAL POWER COMPANY LIMITED serves over forty municipalities located in the Ottawa Valley

OTTAWA & HULL POWER COMPANY LIMITED OTTAWA RIVER POWER COMPANY LIMITED

OTTAWA-MONTREAL POWER COMPANY LIMITED

The operations of these Companies are under the supervision of

POWER CORPORATION OF CANADA LIMITED

Fiscal Agents - NESBITT, THOMSON & COMPANY LIMITED, MONTREAL

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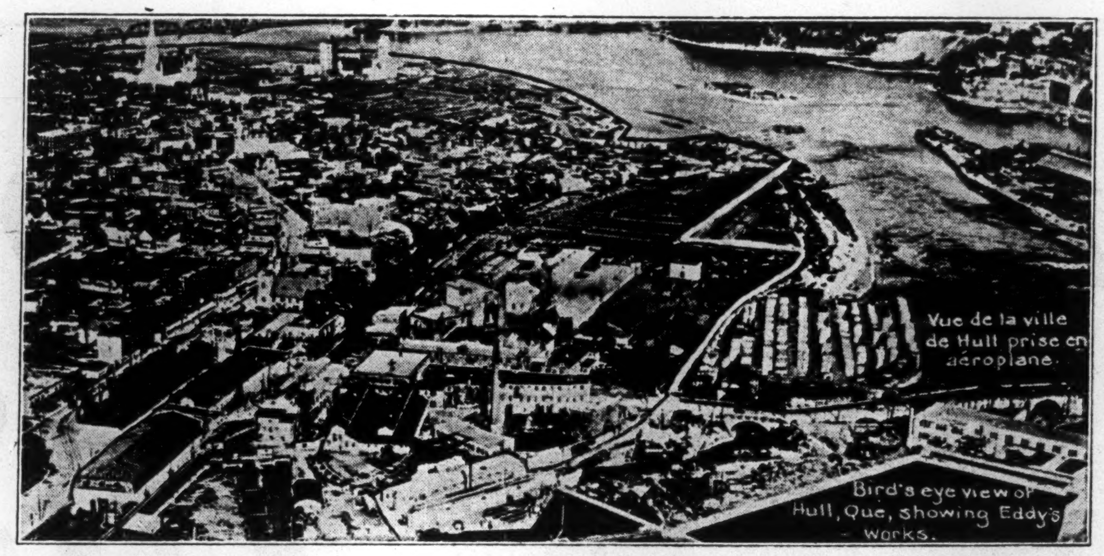


Airplane view of Hull, showing the famous E. B. Eddy Works

Bring Your Industry to HULL, Que.

Hull Provides the Essentials for Industrial Success

Ample Power Strategic Location Sane Labor

THE City of Hull is blessed with an abundance of water-power — that great basic essential for modern manufacturing success. Within a few miles of Hull there is available over 1,700,000 h.p. Low transmission costs mean cheap power, and Hull offers the lowest cost power in North America, it varying according to requirements from $18.00 to $25.00 per horse power.

Present developed power totals 170,000 h.p. provided in part by the Ottawa and Hull Power Company Limited; the Ottawa Light, Heat and Power Company; the Hull Electric Company. With the completion of the International Paper Company's new Gatineau installation, the developed power will increase by 373,500 h.p. — a surplus of which, above amounts already contracted for, is available for Hull.

SANE LABOR. The labor situation in Hull will please you. Hull has a population of over 35,500. More than 80 per cent. of these people are of the laboring class. And — most important — 75 per cent. of these workers own their own homes. That means stability — workers you can depend upon. Hull has been without a strike for over thirty years.

Practically all the workers live within fifteen minutes' walk of their work, enabling them to get home at noon. That means contented workers. In addition, Hull is well served by street railways.

STRATEGIC LOCATION and Transportation Facilities. Hull is a favored city for manufacturers from the point of view of location and transportation. It is admirably served by the Canadian Pacific Railway, being on the direct trans-Canada route. Again, as the map indicates, it is centrally located in reference to the important eastern centres of Canada and the United States.

Many of the available factory sites are right on the railway. Private sidings can be used. There is no extra charge for shipments billed to these private sidings.

Some Industries in Hull

CANADA CEMENT COMPANY
WOODS MANUFACTURING COMPANY
INTERNATIONAL PAPER COMPANY
HULL KNITTING COMPANY
E. B. EDDY COMPANY
HULL IRON AND STEEL FOUNDRIES
HANSON WOOLLEN MILLS
H. DUPUIS AND SONS
SPARKS-HARRISON, LIMITED
MACKENZIE'S, LIMITED
THE MICA COMPANY OF CANADA
CANADIAN PACKING COMPANY

In Hull We Have
No Municipal Income Tax
No Minimum Wages
No Workman's Compensation
No Labor Disturbances
No Women's Pensions

Again, shipments can be made direct to seaboard either by rail or boat. Shipments to or from New York State also may go direct by water.

In addition, Hull has first-class roads, being the terminus of the new Hull-Montreal Highway and the starting point of the Gouin Highway, both Quebec Government roads. It is directly connected with the big Ontario Government cement highway. Manufacturers who have trucking to do will appreciate this advantage.

AVAILABLE SITES at Low Cost. Hull has many splendid factory sites available for new plants with ample room for expansion. Not only is the price of the land low, but the Hull municipal tax rate is low. A fixed assessment for ten years can be arranged.

RAW MATERIALS ADJACENT. Your only other big problem in choosing a site is the question of materials. Hull is right in the heart of the best lumber district in the world. And in this same district are produced cement, sand, asbestos, graphite, mica, iron and many of the needed metals.

FIRE AND POLICE PROTECTION. Hull possesses one of the best trained fire brigades in the Province of Quebec, and this fire protection is second to none in the Dominion of Canada. Police protection is also adequate.

Hull is a good place to live in — good schools, good homes, good laws. Bring your industry to Hull.

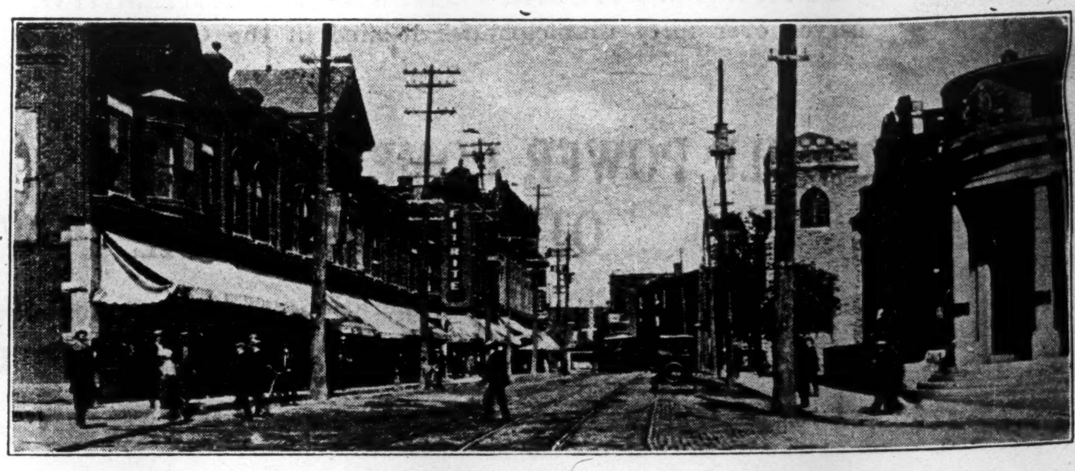
For Further Information Write
H. BOULAY,
City Clerk
City of Hull, Province of Quebec

THE MAYOR AND ALDERMEN
Mayor
THEODORE LAMBERT

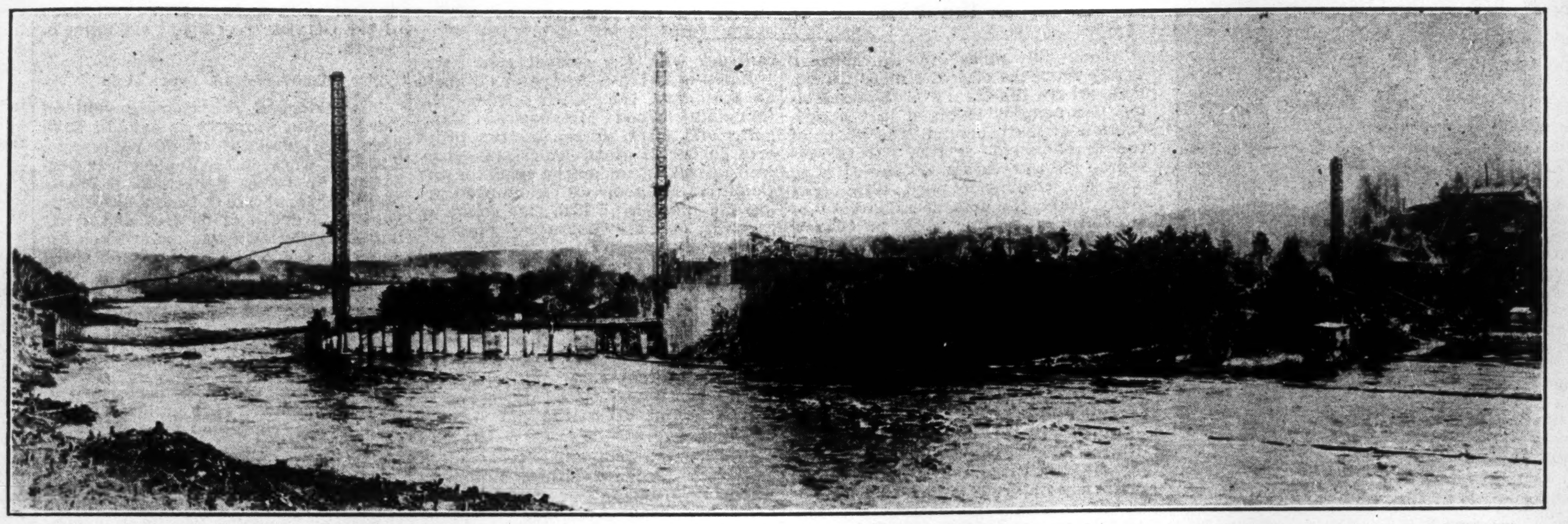
Aldermen

Z. GERVAIS	J. A. MOUSSETTE	C. BOLAND	E. GAUTHIER	E. DUQUAY	O. MAY	J. CHENIER
I. MICHAUD	E. LARAMEE	Z. BOUCHER	C. GERVAIS	E. ROY	W. S. LAROSE	M. GALIPEAU

Abundant hydro power right at Hull meets industrial needs



Hull is a well-maintained, well-administered city



Panoramic view of the Chelsea hydro-electric development of the Gatineau Power Company, looking down stream. At the left concrete is being poured at the eastern end of the main dam. In the left center is the sluiceway section of the main dam. In the right center is Chelsea Island and the spillway section of the main dam crossing it. At the right is the west end of the main dam, and the construction work on the power house. The dam and hydro-electric plant at Farmers Rapids are in the background, about 7,000 feet down stream.

HULL—

Center of a Great Industrial Development

Gatineau Power Company's New Hydro-Electric Developments Bring Industrial Expansion and Further Prosperity to the Hull District

Industry Follows Power

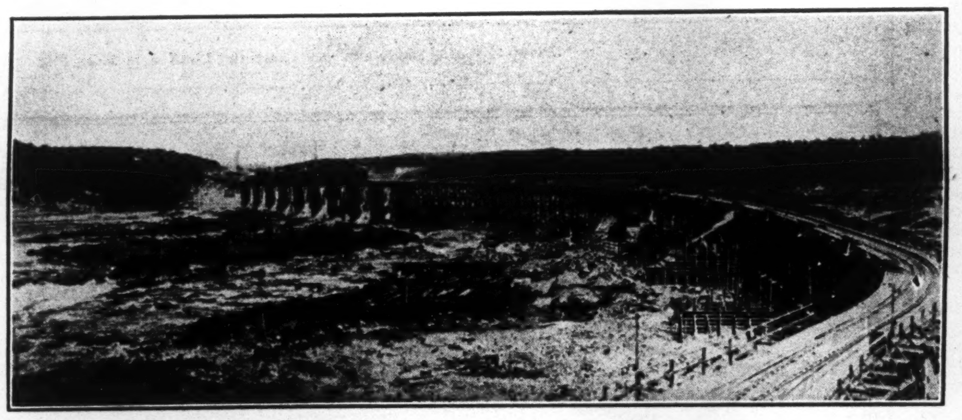
THIS is again strikingly evidenced in the Hull district where the huge power development on the Gatineau River by the Gatineau Power Company has meant the construction of the new Gatineau newsprint mill of the Canadian International Paper Company.

It has also meant the re-opening of the Hull plant of the Canada Cement Company to fill the cement construction needs of these big new power and pulp and paper mill developments.

The Gatineau Power Development

The Gatineau Power Company — a wholly owned subsidiary of the International Paper Company — owns and is acquiring water power sites with an aggregate potential capacity of 700,000 h.p.

The present comprehensive development program now under way calls for the installation of 373,500 h.p. hydro-electric capacity in three large plants on the Gatineau River — that is, initially, 150,000 h.p. at Paugan, 131,000 h.p. at Chelsea, and 92,500 h.p. at Farmers Rapids. Construction work on the last two, which are within seven miles of the City of Hull, is well under way and both are to be in operation early in 1927. The Paugan plant, twenty-five miles above Chelsea, will be in operation by the fall of 1928.



Panorama of Farmers Rapids Hydro-Electric Development. View is looking northwest and shows dam in course of construction.

Surplus Hydro-Power for New Hull Industries

Whilst over 90% of the primary power available from the initial developments of the Gatineau Power Company is already disposed of, the balance will be a source of supply for such industries as may be attracted to the Hull district.

The Gatineau Newsprint Mill

Hull has always been a centre for major forest operations, commanding as it does a portal position to the great forest areas to the northwards — unlocked for industry by the converging torrents of the Gatineau and Ottawa Rivers.

Five miles below the City of Hull, the newest forest industry of the Hull district is now under construction — the Gatineau newsprint mill of the Canadian International Paper Company.

The initial installation includes four paper machines designed to produce a sheet of newsprint paper 256 inches wide at the rate of 1,200 feet a minute. These machines will have a capacity in excess of 600 tons of paper a day and will be the largest single producers thus far installed in the world.

New Industries Are Factors in Canada's Greater Prosperity

The industrial developments in the Hull district, providing as they do employment for construction and operating purposes, are factors not alone in added local prosperity, but provide purchasing power in which all Canada shares.

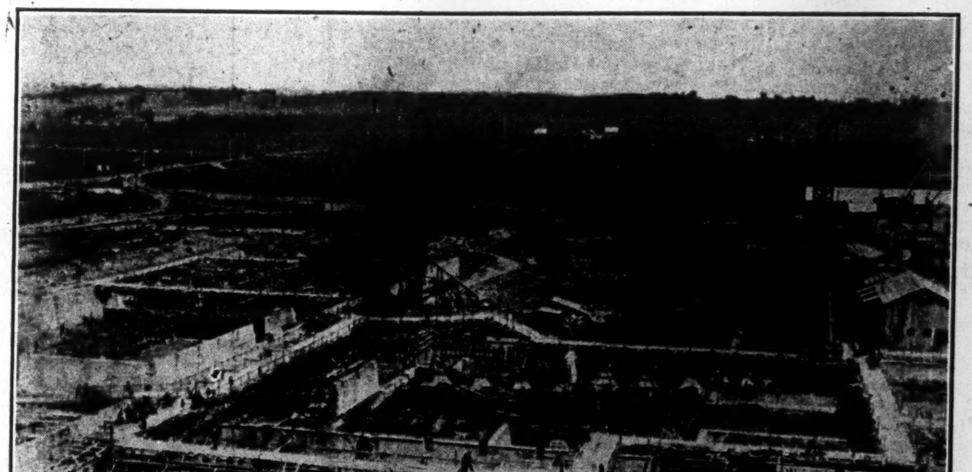
Some idea is gained of the purchasing power created by the Gatineau Power and Newsprint Mill developments when it is realized that about 6,500 men are now employed. This does not include the men on the diversion of the Canadian Pacific Railway and on the public highways. Moreover, about 1,000 men will be employed permanently in the completed plants, not including 2,600 men engaged in summer forest and sawmill operations, which number increases to between 4,500 and 5,000 in winter. The average daily payroll when the developments are completed will be about $15,000.

The industrial expansion in the Hull district is well-founded. It is built on the presence of those factors essential for industrial success. The City of Hull invites industrial interests to investigate, to be convinced of Hull's industrial opportunities for them.

Bring Your Industry to Hull, Que.

Write—INDUSTRIAL COMMITTEE, City Hall, Hull, P.Q.

Gatineau Newsprint Mill. Machine room No. 2 from west wall.



Gatineau Newsprint Mill. View from tower south of machine room No. 2.

POWER CORP'TION FINDS PROSPERITY IN OTTAWA VALLEY

Serves Hull and Surrounding Districts With Three Growing Subsidiaries

The Power Corporation of Canada plays no small part in the general prosperity prevailing along the valley of the Ottawa River. This company controls, or has a substantial interest in, nine power companies which are located between the Rockies and the Province of Quebec. Three of these companies, the Ottawa and Hull Power Company, the Ottawa River Power Company, and the Ottawa-Montreal Power Company operate along the valley of the Ottawa and serve industries and communities in that territory.

The Ottawa and Hull Power Company at its two plants at the Chaudiere Falls at Hull, has installed 40,000 horsepower; in addition it controls the Ottawa River Power Company, which has installed at its plant at Bryson, P.Q., 22,500 horsepower. This plant is connected with that of the parent company's by a transmission line of 50 miles in length. These two companies sell power to all the public utilities in Hull and Ottawa, and wholesale power to the distributing companies in the two cities. They also serve some of the larger industries direct.

Hull Uses More Power

As one side light on the prevailing prosperity in and about Hull, it is interesting to note that the load carried on the lines of the Ottawa and Hull Power Company has increased by 8,700 horsepower as compared with a year ago. This must mean a tremendous increase in employment. It must mean also an increase in the capital invested in that territory. For instance, the E. B. Eddy Company erected a newsprint mill in Hull which is responsible in part for the increased consumption.

Another company which recently commenced operations was the Henry E. Wood Mining Company which reopened a molybdenite mine at Quyon, P.Q., in 1925. Soon, another new company, the Canada Glass Products, will begin operations in Hull. It owns a quarry near by and will manufacture plate glass.

Another Subsidiary Company

The other subsidiary of the Power Corporation of Canada is the Ottawa-Montreal Power Company, which operates along the lower portion of the Ottawa Valley. Its plants have an installed capacity of 11,000 h.p., and are situated on the North, Rouge and Blanche rivers. The territory served lies west and north of the island of Montreal, stretching between Rockland and Alfred, Ontario, to Vaudreuil and St. Scholastique, P. Q. The company serves also the entire eastern portion of the peninsula formed by the Ottawa and St. Lawrence rivers.

This company originated as the consolidation of a number of smaller units serving this prosperous agricultural manufacturing district with an area of well over 1,000 square miles, and a population of more than 105,000. Power and light is supplied under franchise to forty municipalities, and the growing prosperity of this country is reflected in the growing demand for power.

OTTAWA PROMISES BIG DEVELOPMENT

Industrial Futures of Hull and Ottawa Are Closely Interwoven

Any story of the city of Hull would be incomplete without, at least, some mention of its sister city, Ottawa. The industrial future of both cities is closely knit together, as it is practically impossible for either to progress singly.

Ottawa, rich in tradition and romantic history, is pregnant with great possibilities, giving promise of advancement in years to come which will more than equal its remarkable progress in the past. The city itself is situated on an imposing block overlooking the river at a point just above the confluence of the Gatineau, Rideau and Ottawa rivers.

Extent of City of Ottawa

The city occupies an area of 6,151 acres, and has over 100 miles of electric street railways, 196 miles of water mains, 230 miles of concrete sidewalks, 152 miles of sewers, 165 miles of streets and over 5 miles of white way lighting. It has over 25,000 telephones and 40 banks compared with 13 ten years ago. Bank clearings in the city last year amounted to over $400,000,000, and building permits range around $4,000,000 annually. Ottawa is entered by nine steam railway lines and has eight water transport lines.

In the past, lumbering has been the chief industry of the capital, but of late the possibilities of the city becoming more cosmopolitan in its industrial activities has become increasingly evident. One factor which has contributed to this new phase in its growth is the fact that, like Hull, no city on the continent is more fortunate in the matter of cheap and abundant electric energy.

In place of the Parliament Buildings which were destroyed by fire in 1916, there has arisen a magnificent new building, a wealth of stone and marble, which far excels any other building in this country and whose cost exceeded $12,000,000. The library, a most artistic structure, was saved from the ravages of the fire, and vies with the new Houses of Parliament in interest. Indeed, the artistic merit of the library is known throughout the length and breadth of this continent.

Heads Hull Council

THEODORE LAMBERT, Mayor of Hull.

EDDY'S OPERATES SUCCESSFULLY FOR 73 YEARS IN HULL

Company Has Shown Steady Growth Since Output Was 10 Boxes a Day

Probably one of the best known companies in all Canada is that of the E. B. Eddy Company which, since 1851, has been one of the chief industrial centres in Hull, P. Q. Everyone who uses matches—and who does not?—is familiar to some extent with this company which is the largest producer of matches in the Dominion. But this is only a portion of the output of its large plants. Eddy's has a varied output, which consists of a daily production of 120,000,000 matches, 7 tons tissue, 25 tons board, 155 tons newsprint, 1,000,000 paper bags, 8 tons bags and manila, 15 tons wrapping paper and 10 tons book and writing paper.

The business first began in 1851 when the late Ezra Butler Eddy began making matches in a little rented shack in Hull, turning out, at most, ten boxes a day. Since that date the story of the company has been one of continued progression and expansion.

A 75 Acre Plant

The big plant to-day covers an area of some 75 acres. The raw materials to feed the mills come from timber limits covering over 2,000 square miles on the Ottawa and Gatineau rivers. The mills employ some 2,500 persons. The company owns a fleet of steamboats and scows, and in addition operates a private railway which connects every unit in its works with the main trunk railways.

A number of the great U. S. dailies are printed on Eddy newsprint, and Eddy matches go all over the world. In Newfoundland and the West Indies, the output of the mills finds an especially large market.

About one year ago the company carried out a gigantic plan of modernization and improvements in its properties; the newsprint capacity was more than doubled, the sulphite mill was rebuilt and enlarged, and new timber limits were opened up. The present newsprint mill has been so designed that its capacity may be doubled without further extensions to the plant.

No Dearth of Power and Utilities in Hull

While large power projects are now taking place in the immediate neighborhood of Hull, there has never been any scarcity of power in this territory. First of all, there is the Ottawa and Hull Power, with its subsidiary, the Ottawa River Power Company, which has a present capacity of 65,000 horsepower. These companies are wholesalers of power. It is retailed in Hull both by the Hull Electric and the Ottawa Electric companies. These companies operate plants also. Thus it will be seen that the city is well supplied by power companies. The present supply can be increased by the installation of further units at the present plants, without taking into consideration the gigantic undertakings of the Gatineau Power Company which will provide an even more abundant supply to the rich territory which centres on Hull.

In addition to this public utility service, the city is well supplied with tramway services. The Hull Electric Company provides the transportation system in the city limits and runs also to Ottawa. The Ottawa Electric trams also are linked up with the centre of the city of Hull.

Although the cities of Hull and Ottawa are entirely separate entities, yet this is no handicap for residents or businesses located in either city. They are linked not only by several bridges and tramway lines, but also the telephone service in both places is operated as one unit which is subdivided into four up to date exchanges serving both municipalities. Thus the business man who desires to locate his plant in Hull and live in Ottawa is under no handicap; and again, such advantages as are usually associated with the Capital are just as accessible in Hull. Thus the close association of the two cities works out to the especial advantage of Hull.

Districts About Hull Have Heavily Mineralized Zones

Kingdon Mining, Smelting and Manufacturing Company Largest Producer of Lead in East — The Mineral Operations in the Valley of the Ottawa Reviewed

About 30 miles up the Ottawa Valley from the city of Hull is Quyon, P.Q., where the Henry E. Wood Mining Company is engaged in the production of molybdenum. The story of the development of this natural resource in the valley of the Ottawa does not commence until 1915. For many years, the presence of a knob of molybdenite bearing rock in Onslow Township was known to the inhabitants of the district, but it was not until 1915 that an option was obtained on the property.

This mining option was sold to Harvey Fitzsimmons of Ottawa and Henry Wood of Denver, Colo., who formed the Canadian Wood Molybdenite Company to purchase and operate the property.

Ore is All Quarried

The newly organized company commenced quarrying the ore; this is the method employed to-day. The molybdenite ore was shipped to the concentrating plant of Henry Wood and Company in Denver, and to the ore dressing laboratory of the Department of Mines in Ottawa. A few carloads were also shipped to the plant of the International Molybdenite Company at Renfrew, Ontario. In 1916, a mill, having a capacity of some fifty tons a day, was built on the property and a second concentrating plant was secured by installing Wood's flotation machines in the plant of the Canada Cement Company at Hull, P. Q. The crushing and drying of the ore in the cement plant was performed under contract with the cement company.

Early in 1917, C. A. Foster obtained an option on the mines from the Canadian Wood Molybdenite Company and later purchased the property on behalf of an American syndicate operating under the name of the Dominion Molybdenite Company. During the summer of 1917 this company carried on an extensive diamond drilling campaign to determine the extent of the deposits and to enlarge the capacity of the mine to 150 tons a day. In the new mill, new systems of concentration were installed. Following these changes, the Dominion Molybdenite Company operated the mine uninterruptedly until March, 1919, when it was closed down due to the slackening off of the war demand for molybdenite.

In 1924 the company was acquired by Henry E. Wood Mining Company which, it is understood, is owned outright by large American interests. The plant was started in May, 1925, and operations were discontinued last winter, due to the fact that work is done in the open and snow interfered with operations. But it was resumed again early this spring, and is operating successfully. Whether the mine will be operated through the period of deep snow depends, of course, upon the world demand for molybdenite, the ore of molybdenum.

Probably the most important mining operations in the Arnprior-Quyon district, the main mineral region of the Ottawa Valley, are those of the Kingdon Mining, Smelting and Manufacturing Company.

The Kingdon property lies about five miles to the east of Arnprior, and is situated near the south margin of Laflamme Island, an extensive area of land from two to three miles in diameter, but cut off from the mainland of Ontario by a narrow channel of the Ottawa river about six miles in length.

Discovered 40 Years Ago

The principal ore bearing vein on the Kingdon property is said to have been discovered about 40 years ago. The first work on the deposit was performed by James Robertson of Montreal in 1884, at which time a shaft was sunk to a depth of 50 feet and drifting along the vein was undertaken for about 90 feet. The lead ore, obtained as a result of these operations was cobbed and shipped in bags to Kingston, Ontario. No further work on the property was attempted until 1914, when the James Robertson estate resumed operations.

The preliminary work performed in that year showed that at least 20,000 tons of ore, contained an average of 10 per cent. galena, was present on the property, and that the vein which was relatively narrow at the surface increased in width at depth. Since that time, the mine has been in continuous operation, and the deposit has continued uninterruptedly down to the 525 foot level, the maximum depth to which the working of the vein has been extended. And to-day the property is the largest producer of base metals in eastern Canada.

Other Veins Present

There are two galena-bearing deposits on the property; the principal vein, on which all the mining operations up to the present have been performed; and a smaller vein which has been exposed at a distance of about 1,600 feet from the present main shaft.

As the property is owned by a private company, little information about its operations is made public, but the limits of the ore bearing veins of the property have not yet been determined, either horizontally or vertically. The main vein has been followed in the underground workings for over a horizontal distance of 1,350 feet in 1922, and throughout this extent it ranged in width from a few inches to over 10 feet and averages about 5 feet wide. The richness of the ore averages about five per cent.

Composition of Ore

The company's mill has a capacity of 400 tons a day, and a smelter with a capacity of 15 tons of pig lead a day. The following shows the composition of the concentrates as they come from the mill:

	Per Cent.
Lead	79.00
Zinc	2.00
Iron	1.20
Lime	0.08
Sulphur	14.40
Insoluble	0.60
Silver	1.14
	Ounces per ton

This same mineral area includes numerous deposits of iron ore which were actively mined some 25 to 40 years ago, but which to-day cannot be worked on an economic basis. The last of these properties was finally closed down in 1894.

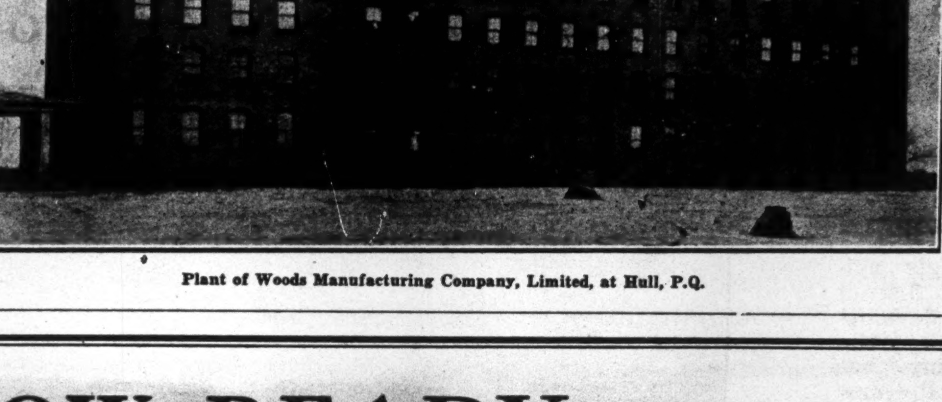
There are also deposits of gold, but up to the present these have not been of sufficient size to warrant development. Mica and marble are also found in this Arnprior-Quyon territory, and marble from these localities was used in the construction of the old Parliament buildings at Ottawa.

Up the Gatineau River around Maniwaki, there are also other mineral deposits. Up to the present, little work has been done in this area, and the presence of these mineral deposits here is important chiefly because it indicates that other more extensive masses may eventually be found.

Ministers to Things of Spirit as Well as Flesh

While it is well to stress the industrial advantages of the Ottawa Valley in general and the city of Hull in particular, it is perhaps not so generally well known that in and around Hull lie many vacational centres, both for summer or winter, which are unexcelled in either eastern or western Canada.

Viewed industrially, Hull is a perfect location in all that ministers to the flesh, whilst, viewed recreationally, the immediate surroundings are such as to ably minister to things of the spirit.



Plant of Woods Manufacturing Company, Limited, at Hull, P.Q.

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Insurance for Buyer and Seller

MORTGAGES NOT AMPLY SECURED, ABSTRACT SHOWS

Insurance Report Shows Unusual Features of Canada National

A lower fire loss ratio than for several years is an outstanding feature of the Abstract of Statements of Insurance Companies in Canada during 1925, just issued. Most classes of business were more satisfactory than during the previous year. Life companies established a new record in issued business and in new business *paid for in cash, while* they continued *to enjoy the remarkably* low mortality rate which has prevailed during recent years. Casualty companies, especially surety and hail insurance, experienced a satisfactory growth and loss ratio.

The only condition of special interest in the section dealing with the assets and financial status of the various individual companies is the somewhat detailed reference to the affairs of the Canada National Company. The real estate holdings of this company are given as $674,983, but it is stated that there is an additional $164,759 paid in 1924 to the Imperial Canadian Trust Company for the latter's one-quarter undivided interest in the company's head office building. This investment was, by a ruling of the department, declared to be unauthorized. The company gave notice of appeal against this ruling but the appeal has not been prosecuted. Under "loans on real estate," the Abstract shows a total of $1,316,637 which includes certain mortgages taken over during the years 1924 and 1925 from the Imperial Canadian Trust Company and the Great West Permanent Loan Company to an amount of over $300,000. It also includes mortgages allocated by the Imperial Canadian Trust Company to secure a guaranteed investment certificate for $175,000 held by the company.

Special Reserve Fund for Losses

On the liabilities side of the statement is shown an item of $237,759 which includes $10,655 reserve and unpaid losses under unlicensed reinsurance. Under "sundry liabilities" the total shown is $919,797, which, according to a footnote, includes $650,000 contingent reserve fund and $87,477 special reserve fund for foreign business. It is explained that the contingent reserve fund includes provision for the excess of book value over market value, of real estate, and for loss on mortgages insufficiently secured. This includes *loss on a mort*gage taken over in 1924 from the Imperial Canadian Trust Company at $212,668, the properties securing this mortgage having been valued by the Department and the loanable value having been found to be practically equivalent to the prior encumbrances on the properties. Since the date of acquisition the company's book value of this mortgage has increased, through the payment of taxes and other charges, to 228,836, with $18,551 additional for due and unpaid interest. This makes a total of $247,388. The contingent fund also includes provision for losses on four mortgages taken over from the Great West Permanent Loan Co., during 1924 and 1925, as the valuations of the properties showed them to have been insufficiently secured.

A significant feature of the statement is the difference between the value placed on the security by the Department, and the actual face amount of the mortgages. The two losses taken over in 1924 had a combined principal unpaid and interest accrued, of $20,965. At the end of last year this had increased to $22,827, while the Department's valuation of the properties mortgaged, is $7,500. The mortgages taken over last year had a combined principal and interest value of $26,691. The Department's valuation of the properties mortgaged is $7,600, plus three years taxes. The four mortgages are subject to a judgment for $2,400 and interest, dated December, 1916.

Metropolitan Life Makes Staff Changes

Following are the recent changes in the field announced by the Metropolitan Life Insurance Company: Joseph A. Duchesne, application inspector in Canadian territory, has been appointed assistant manager in Laurier district (Quebec); Wilfrid K. Laflamme, assistant manager at Quebec, promoted to manager at Timmins, Ontario; J. Pierre Demers, agent at Quebec, appointed assistant manager at Quebec; Gilbert H. Hart, agent at St. John, N. B., appointed assistant manager at St. John; George William Babcock, formerly assistant manager at Verdun (Montreal), appointed general assistant manager in Canadian territory; R. N. Kinsman, assistant manager at Ottawa, appointed general assistant manager for the Canadian territory; Frederick J. Spence, Agent at Toronto, appointed assistant manager at Ottawa; M. B. Hufman, agent at Calgary, Alberta, appointed assistant manager at Regina, Saskatchewan.

BRITISH AMERICAN ASSURANCE COMPANY
HEAD OFFICE - TORONTO
Incorporated 1833.
FIRE—MARINE—AUTOMOBILE—BURGLARY—GUARANTEE
Security to Policyholders—$3,000,000

Reduction in Fire Waste Will Lower Premium Rates

Effort Needed to Check Rapidly Mounting Loss — Canada Leads World in Per Capita Waste

The annual growth of fire losses in the United States and Canada has been the subject of no little anxiety. During the first half of the current year fire losses in the two countries, as compiled by the Journal of Commerce of New York, totalled $228,785,700. This sum exceeds the losses of the first half year by more than $31,000,000 and is more than $47,000,000 above the total for the first half of 1924.

The underwriting loss of the hundred leading insurance companies of the United States in 1925 was 4.6 per cent. of the underwriting income earned, and the loss so far seems to preclude any hope for an underwriting profit in 1926 unless the loss declines materially in the remainder of the year, or the premium rates are increased. During the past six years the insurance companies have continued to lose money on their underwriting except in 1922, when there was a very small profit. This would indicate that the general rate level of premiums is too low when compared with the fire waste.

This situation suggests that some discrimination must be made between those areas showing a low fire risk and those persistently showing an increasing risk. Under present conditions those sections which have reduced their ratio of loss are obliged to share in the cost of a heavier fire program elsewhere. In some states of the Union, a study of the matter has been seriously undertaken with a view to finding ways and means of lowering the number of fires.

Canada Leads in Fire Waste

Canada stands in the unenviable position of leading the world in respect to fire waste. Last year's loss was approximately $50,000,000, which meant a loss of over $5.14 per capita, which is higher than that of any other country. If fire waste is reduced this will mean a reduction in fire insurance rates. Great Britain's fire waste is one-fifth that of Canada, and Great Britain's fire rates are one-fifth that of Canada's. With regard to the causes of this situation, Walter J. Blackburn told the Winnipeg Bankers' Lecture Club that the principal cause of fire was carelessness. His address in part follows:

Let us examine into the five leading causes of fire last year both in Canada and the United States. The leading cause of fire which resulted in $26,000,000 damage was careless smoking. The man who threw away his cigarette butt before he was certain that it was out and the man who tossed the odd match into the waste basket caused this damage. The second cause was defective chimneys which accounted for $20,000,000 of fire damage. The third leading cause was stoves, furnaces and boilers through not having the flues and pipes properly cleaned which accounted for $18,000,000. The fourth cause was spontaneous combustion in oily rags and rubbish. This caused $16,000,000 of damage. The fifth leading cause was electricity, rather the misuse of electricity through putting pennies in fuse boxes and leaving the current on in electric irons and toasters and similar electrical appliances. This caused $12,000,000 of damage.

The devastating conflagration at Haileybury, Ont., was caused through burning brush. The farmers in this section of the country took advantage of the very dry spell and the small bush fires which were caused by this climatic condition and endeavored to clear their land by helping these small fires along with coal oil; the intense heat caused a very strong wind which amalgamated all these fires and swept over the country and destroyed not only Haileybury but a number of the surrounding towns.

The conflagration at Strathmore, Alta., was caused by a janitor who forgot to clean a coal oil stove which promptly exploded and the resulting conflagration burnt up half the town. There was a recent disastrous fire at Bowden, Alta., which was caused by sparks from an anvil in a blacksmith's shop falling into rubbish. This also destroyed the main business section of the town.

The principal remedy for fire waste is care, but there is a movement on foot in Canada for the establishment of permanent fire prevention bureaus in the larger cities and towns, these bureaus to be composed of representative business men who will enquire into the city ordinances for the prevention of fire and study the building code and electric code for the same purpose and also give support to the Chief of the Fire Brigade and shall have for their object at all times the preaching of fire prevention and carefulness to the citizens. This movement has the support of the Dominion Fire Commissioner and Provincial Fire Commissioners and it is to be hoped that when it is presented to the citizens of Winnipeg it will also have their support.

OPPOSE COMPULSION IN MOTOR INSURANCE

U.S. Automobile Association Feels It Would Merely Encourage Reckless Driving

The American Automobile Association has gone on record as being opposed to the principle of compulsory automobile liability insurance. This would cost the country $300,000,000 and would thwart safety work and breed recklessness, instead of reducing accidents, according to statements made by officials of the association.

The argument enunciated is based largely on the belief that when insurance is arranged for, the feeling of liability on the part of the individual is lessened. It is urged that the whole principle of compulsion in this connection is based on a fallacy and that less care is exercised in driving when there is an unconcious feeling that all risk is taken care of. The Association points out that no insurace can eliminate pain and suffering, adding that:

If the state guarantees to pay everybody who is hurt on the roads a stipulated indemnity, the reckless and irresponsible can go the limit with no fear of anything but criminal responsibility.

That there is a crying need for some drastic action to reduce automobile accidents cannot be denied. It is not to be wondered at that legislative bodies, civic organizations, and good citizens generally, are deeply concerned in finding a remedy. But it is a source of wonder that the latest medium proposed contemplates indemnity for the injured. Instead of making a real effort to enforce ample speed laws and traffic statutes and ordinances, it is proposed to let the carnage go on, seeing only that the heirs of the dead are provided for in a material sense, and that the maimed and the injured are assured monetary compensation.

It is stated that insured car owners now pay approximately $100,000,000 a year in premiums, which would be increased to $400,000,000 under compulsory insurance laws. At the present ratio, only about one-twentieth would be paid back in damages. The scheme is also attacked as "inevitably degenerating into state insurance and being an entering wedge for state control of every other business," and that it would tend to increase insurance rates because it would do away with the principle of selective risks.

Insurance officials of the district of Columbia are opposed to compulsory automobile insurance, it is shown by the annual report by Superintendent Thomas M. Baldwin, in which he points out that this subject will probably come before Congress in the near future. The experience of states about to adopt this insurance, it is pointed out further, indicates that there is much to be learned about it before it can be made effective; further, the situation which compulsory insurance seeks to correct properly lies with the courts, and not the insurance companies, it is asserted.

"Massachusetts has a compulsory automobile insurance law which goes into effect January, next, and which is causing no little concern to that state," said Superintendent Baldwin. "Up to a very recent date no agreement has been arrived at as to adequate rates."

FORESTERS TO MERGE WITH HOME CIRCLES

New Organization is Greatly Strengthened by Union of Old Fraternal Societies

Another of the old and well known fraternal insurance societies of Canada has disappeared from the board in the merger of the Canadian Order of Home Circles with the Independent Order of Foresters. The amalgamation, which dates from September 1, and which was passed by the members of the respective organizations this week, is said to be fair to both. It is expected that the increase in the membership and in the reserves will strengthen the fraternal activities of the order.

The present merger is another step in the solidifying movement among fraternal societies through amalgamation. It will be recalled that on June 1 the Ancient Order of United Workmen united with the Independent Order of Foresters, and the benefits arising out of this union are already apparent.

The activities of the Order of Canadian Home Circles have been largely confined to the Province of Ontario but there are a few courts in Nova Scotia, New Brunswick and British Columbia. The membership of the organization is 4,500. The assets are more than $1,500,000 in addition to a substantial surplus. The addition of these assets to those of the Foresters brings the new total up to more than $40,000,000 which includes surplus and special reserves of $2,000,000. The total membership of the Foresters is 160,000. The 200 circles of the Order of Canadian Home Circles will be converted into courts of the Independent Order of Foresters. This brings the total number of courts in the amalgamated orders to 3,700.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, CANADA
TOTAL ASSETS $2,928,337.62
TORONTO, 24 Adelaide St. W.
W. H. GEORGE
Superintendent of Agents

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Many investors are probably unaware of the great inherent value of insurance stock as an investment and the excellent return to the present as well as the original investor.

When it is considered that the dividends are all paid from the interest earnings of unquestionable trust and Government securities, and that future dividends must as surely increase as the yearly increasing profits are declared, it is not difficult to understand why dividends, as high as 100%, were paid last year by sound Canadian companies, and as high as 166% in American companies.

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The Independent Order of Foresters
Organized 1874
TOTAL BENEFITS
Paid to Members and their Beneficiaries
$87,000,000.00
Policies Issued from $1,000 to $5,000
G. E. BAILEY, Secretary — W. H. HUNTER, President — ALEX. STEWART, Treasurer

Saskatchewan General Trusts Corporation
HEAD OFFICE: REGINA, SASK.
Subscribed Capital - - $1,000,000.00.
EXECUTOR ADMINISTRATOR ASSIGNEE TRUSTEE
Special attention given Mortgage Investments, Collections, Management of Properties for Absentees and all other agency business.
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THAT friend of yours—the brilliant, capable business man—is at the high tide of his powers. Mental power has matured; physical power has not begun to wane. It is natural that you should consider naming him as your Executor.

But does it occur to you that the tide ebbs for a man just as surely as for the sea? Suppose you live for another twenty or thirty years—will he be the same executor then that you choose now?

The Canada Permanent Trust is exempt from old age. It retains the wise counsels of its older Directors. It is constantly recruited with the vigor of youth. Twenty-five years from now—as now—it will be equipped to handle your affairs with skill and prudence.

You cannot foretell the future of any man you know. Give your estate and your family the services of an Executor whose future you can foretell:—

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Paid-up Capital One Million Dollars
Toronto Street, Toronto.
Manager, Ontario Branch - A. E. HESSIN

Northwestern Mutual Fire Association
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA, HAMILTON, ONTARIO
THE NORTHWESTERN MUTUAL
Has made a record in Canada for profit and volume of business which at the outset was declared to be impossible.
Writing Fire Insurance at Cost. Assets $3,118,764.07.
Norman S. Jones, Manager for Canada. R. J. Mahony, Associate Manager.
All policies dividend paying and non-assessable.

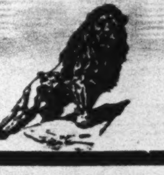
Securing Your Future

The man who takes out a 20-Pay Life Coupon Savings Policy to-day will receive an accumulation of benefits all through his life—protection for himself and his dependents and increased dividends every year for 20 years.

These dividends are provided in the form of guaranteed coupons attached to the policy. You clip your first coupon in 1927 and from then on their guaranteed cash value increases each year. If you leave the coupons untouched, the policy will be paid up in 15 instead of 20 years—your dependents protected without further cost to yourself.

Ask your nearest Northern Life Agent about this attractive plan, or write our Home Office.

The NORTHERN LIFE ASSURANCE COMPANY OF CANADA
LONDON, ONTARIO — ESTABLISHED, 1897


THE MONARCH LIFE IS A GOOD COMPANY
Provincial Offices: Toronto, Winnipeg, Regina, Saskatoon, Calgary, Edmonton, Vancouver, Victoria.

Metropolitan Life Insurance Co.
The Company's Canadian Head Office is in Ottawa where its Canadian business east of the Rockies is transacted. Canadian premiums are received, Canadian policies issued and Canadian claims paid in Ottawa.

Canadian Head Office Ottawa, Canada.
Business Written in Canada in 1925....... $165,123,047
More than that of any other company.
Insurance in force in Canada, end of 1925. $833,544,780
Largest amount in force in Canada in any company.
Policies held by Canadians, end of 1925.. 2,218,742
Largest number in force in any company in Canada.
Paid Canadian Policyholders in 1925...... $ 8,540,178
Investments in Canada, at end of 1925....... $126,150,919
Invested in Canadian Government and Municipal Bonds.. $ 86,743,283

"I Didn't Want To Be a Miser!"

"It was a difficult place to be in, but what was I to do? I knew I was losing out with my wife and family, and myself too, but I just couldn't think of what the future might be for Alice and the children and spend every last cent.

"So I worked, slaved, saved; but it didn't give me much pleasure nor satisfaction.

"—Finally I discovered something.

"I found that by depositing just a little more than 10% of my salary with The London Life, I actually guarantee everything for which I had been striving,—protection for my family and our home and other investments, together with provision for my own old age.

"Now we do get genuine enjoyment out of the pleasures we treat ourselves to. We have money for the present because our plans for the future are so well laid."

The London Life Jubilee and Duplex policies meet perfectly the needs of men in this position. Any of our representatives will be pleased to explain them without obligation.

London Life Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE LONDON, CANADA

OUR OIL SUPPLY NOW CONTROLLED BY CANADIANS

Four Companies Provide all Links Between Wells and Consumer

MONTREAL.—Sir Herbert Holt announces that, owing to the rapid increase in the production of crude oil on the properties of the Tropical Oil Company in Colombia, and in order to provide the transport of this crude, the Andian National Corporation has found it necessary to enlarge the capacity of the corporation's pipe-line in Colombia from 30,000 to 50,000 barrels per day.

The directors of the Andian National Corporation, of which Sir Herbert is chairman, have decided to finance this new construction by the issue of 625,000 shares of the initial capital stock of the corporation at the price of $10 a share. This issue of new stock will be made on the basis of one share of new stock for every four shares of stock of the corporation issued and outstanding at the close of business on September 30 next. Each shareholder of the corporation will be entitled to subscribe and pay for one new share in respect to every four shares then held, payment to be made in United States funds.

The arrival of the first shipload of crude oil to reach Montreal from the new Colombian field marks the inauguration of a new commercial and industrial bond between Canada and South America, made possible by cooperation between four organizations which are largely Canadian in their development and control—the Tropical Oil Co., which owns the producing wells in the interior of Colombia; the Andian National Corp., which built the pipe line that transports the oil to the seaboard; the International Petroleum Co., which is furnishing the vessels to bring the oil to Canada, and the Imperial Oil Co., to whose refineries the oil is consigned.

Harrington Smith, president of International Petroleum, briefly referred to the important development represented in the arrival of the Albertolite, and then called on Sir Herbert Holt, in his capacity as chairman of the board of the Andian National, to turn the valve which started the first pump to discharge the cargo.

Sir Herbert said it was gratifying to him that the success of these enterprises assured Canada of a supply of oil under all-Canadian control, making the Dominion independent of foreign sources of supply.

Captain Flanagan, president of the Andian National, said that the company's undertaking was largely made possible by the prestige and support which Sir Herbert had brought to the organization.

Victor Ross, of Toronto, vice-president of the Imperial Oil, said that Andian National's achievement was notable not only for its financial and commercial possibilities, but because it was a triumph for Canadian engineers and officials, and because it opened up new opportunities for young Canadians.

When, in 1920, International Petroleum committed itself to the task of developing a commercial oil field in Colombia, knowledge of the area acquired, outside of its oil possibilities, was meagre. The concession itself was a wilderness.

In 1916, under laws of Delaware, there was incorporated the Tropical Oil Company, which hauled drilling rigs and equipment 400 miles up the Magdalena River to Infantas, brought in three proven wells, and in 1920 entered into a transaction by which International Petroleum took over their company and concessions.

It was to provide facilities for the delivery of crude oil from the Colombian field to the Caribbean coast at Mamonal that the Andian pipe line was conceived.

Foreseeing the success of the operations of the Tropical Oil Company, and the possibility of other oil fields adjoining or even more distant from the coast, the Andian National Corporation was organized by Canadian and European interests to construct the necessary pipe line system to carry the production of such fields to seaboard.

Saskatchewan Co-Operative Is Greatest Wheat Handler

REGINA.—Elevators of the Saskatchewan Co-operative Elevator Co., are now under the management of Saskatchewan wheat pool, making the Saskatchewan pool the greatest wheat handling organization in the world.

The first payment of $1,500,000 was made by the pool to the company by certified cheque. The pool previously had made a deposit of $500,000 just prior to the meeting of the directors and shareholders of the company in April, when decision to sell the company's elevators and holdings was reached.

The pool now has in its control 572 country elevators; six terminal elevators at Fort William and Port Arthur at the head of the Great Lakes, and one transfer elevator at Buffalo, N. Y., George Robertson, secretary of the pool, stated. Thirty new elevators were built in the province this year by the pool, and previously the pool had 91 elevators at country places. The company had 451 elevators.

The capacity of the country elevators now controlled by the pool is 17,160,000 bushels.

The three terminal elevators of the company will become terminal elevators No. 4, No. 5 and No. 6, of the pool, making the total capacity controlled by the pool at head-of-the-lakes 18,000,000 bushels.

Ore receipts at the Trail Smelter of the Consolidated Mining & Smelting Co., for the period July 15 to July 21 inclusive, totalled 10,277 tons, and for the year to date 305,666 tons.

INTERNATIONAL CONTEST FOR FUR TRADE CONTROL

Seattle Will Fight Effort of Vancouver to Get Business

From Our Own Correspondent.

VANCOUVER.—Interests trying to make Vancouver the centre of the fur industry in the Pacific northwest will have to deal with the powerful competition of Seattle, Tacoma and other United States cities which are loath to part with their present mastery of the market.

Victoria was the first important fur market on the Pacific coast. The city's position was established back in the days when Victoria was merely a trading post operated by the Hudson's Bay Company. From this beginning it grew to be the distributing centre for the vast territory north of the Oregon boundary to the far reaches of Alaska and New Caledonia and in return the traders and trappers brought their furs to Victoria. Victoria's prosperity as a fur centre continued after Confederation, but when Seattle stole a march on the British Columbia city in catering to the Klondike trade in the late nineties Victoria began to lose its grip. The big wholesale houses which had until then reigned supreme were over-confident, refused to fight for trade and gradually dropped out of the picture as serious contenders for the fur trade of the North.

Tacoma was the next city to go after the fur trade. Seattle, never satisfied with its share of business, set out to wrest away Tacoma's laurels, succeeded and for the past decade or more Seattle has been the chief fur market of this district. This situation is due, according to traders, to the careful cultivation which Seattle has applied to the industry, its readiness to finance trappers, and its ability to handle large volume.

This latter consideration, volume, is really the determining factor and it is the one that has denied Vancouver the important place to which it is entitled by virtue of geographical situation. If all the trappers of British Columbia and Alberta sent their furs to Vancouver instead of to Seattle it would be possible to make Vancouver the fur trade headquarters of the North Pacific and Seattle would drop out of sight, but as conditions stand to-day trappers in the Yukon, in central British Columbia, in the wilds north of Edmonton ship their pelts direct to Seattle, and they do this simply because Seattle has facilities for handling large quantities and thus can reduce to a minimum the cost of forwarding the furs in lots to markets such as London, St. Louis and New York. Under present conditions, were Vancouver to try and compete with Seattle the cost of handling by reason of the smaller volume would be higher and the traders would be at a disadvantage to that extent.

However, the anomalous position of Vancouver has made itself felt and business interests are convinced that a persistent effort to divert the present trend of trade from the American ports will eventually accomplish the desired results. Several small sales have been held here recently and while they have suffered from the conditions referred to they have given some indication of the success that might be achieved later on. The fur pack of British Columbia is worth $3,000,000 annually. Business interests think it is rather a pity that the whole of this trade must go to the United States even before it reaches the middleman.

General Weakening in Steel Price Structure

A general weakening in most sections of the price structure in the metal markets during the last few weeks has brought prices to a level which sellers believe is the low point for the summer, says Canadian Machinery.

Business has not been materially increased by the lowering of quotations, nor has it been hampered. There is general continuance of the unusually high midsummer demand for materials, and the usual considerable reductions in output have yet to take place. The past week, owing to the observance of civic holiday in many centres, and the granting of summer holidays, has seen perhaps the greatest lowering of output

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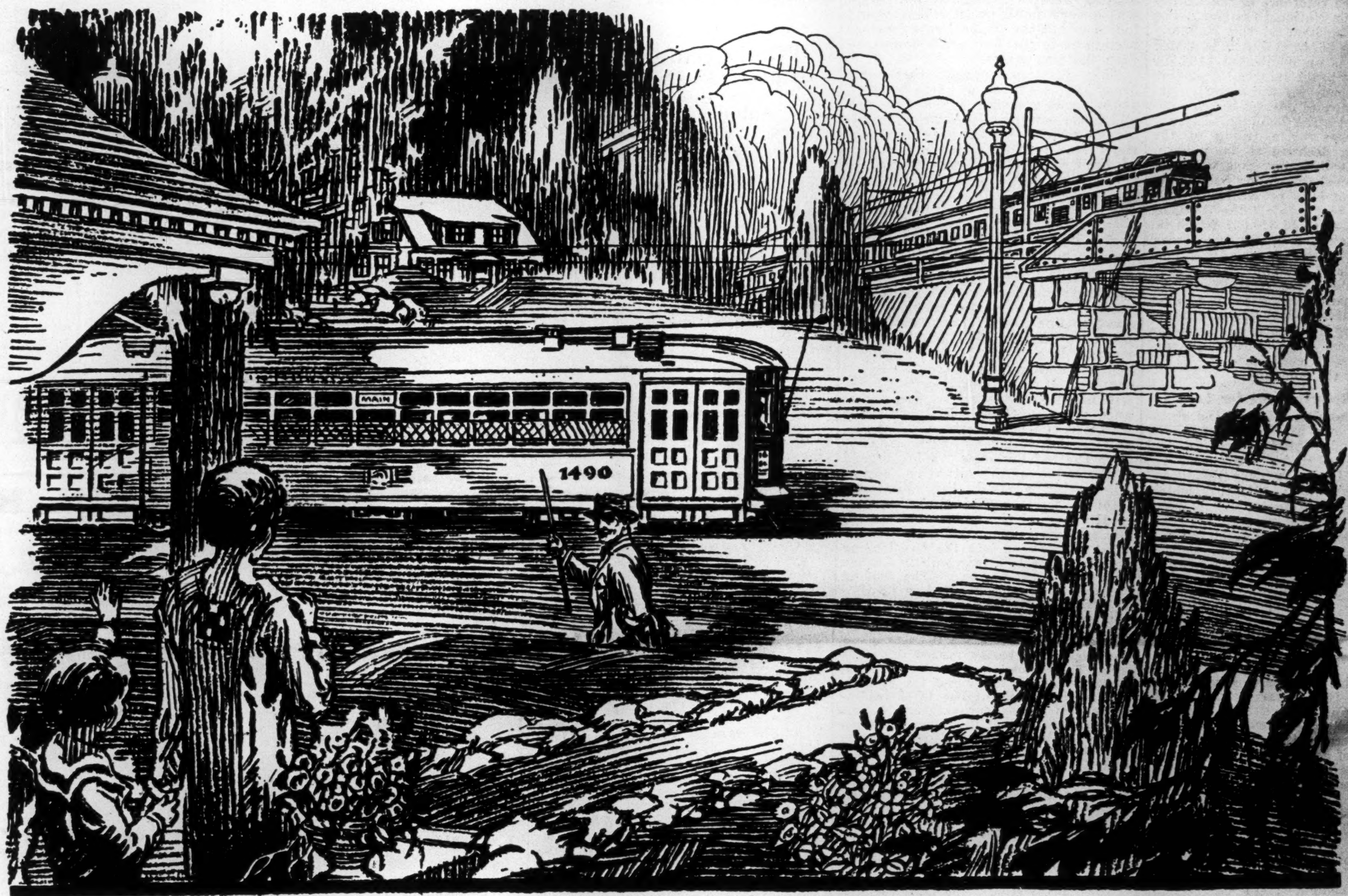

That You May Travel in Comfort~

FROM the dim dawn of history, transportation has been one of humanity's most pressing problems. Varied and ingenious have been the solutions evolved since the day man discovered that it was easier to *roll* an object than to *drag* it.

Yet it has only been within a comparatively recent period that personal transportation has been brought within reach of the majority of people.

Unquestionably, the most popular and most inexpensive form of transportation ever developed has been the electric street car or radial car. The electric car is the link between city and country—enabling the city-worker to live out in the pure, fresh air of a suburban home, giving him more leisure hours and breaking the shackles that bound him to the smoke-grimed streets of his daily toil.

The equipment required for the operation of electric cars, including motors, controllers, switches, transformers—even the lamps that brighten night travel—form a considerable part of the output of the Canadian General Electric Company's plants. In these plants are also produced the various types of apparatus used in the modern electric locomotive, which is fast eliminating the noise, smoke and dirt of the old type engine.

CANADIAN GENERAL ELECTRIC Co. Limited

HEAD OFFICE, TORONTO

CGE-428